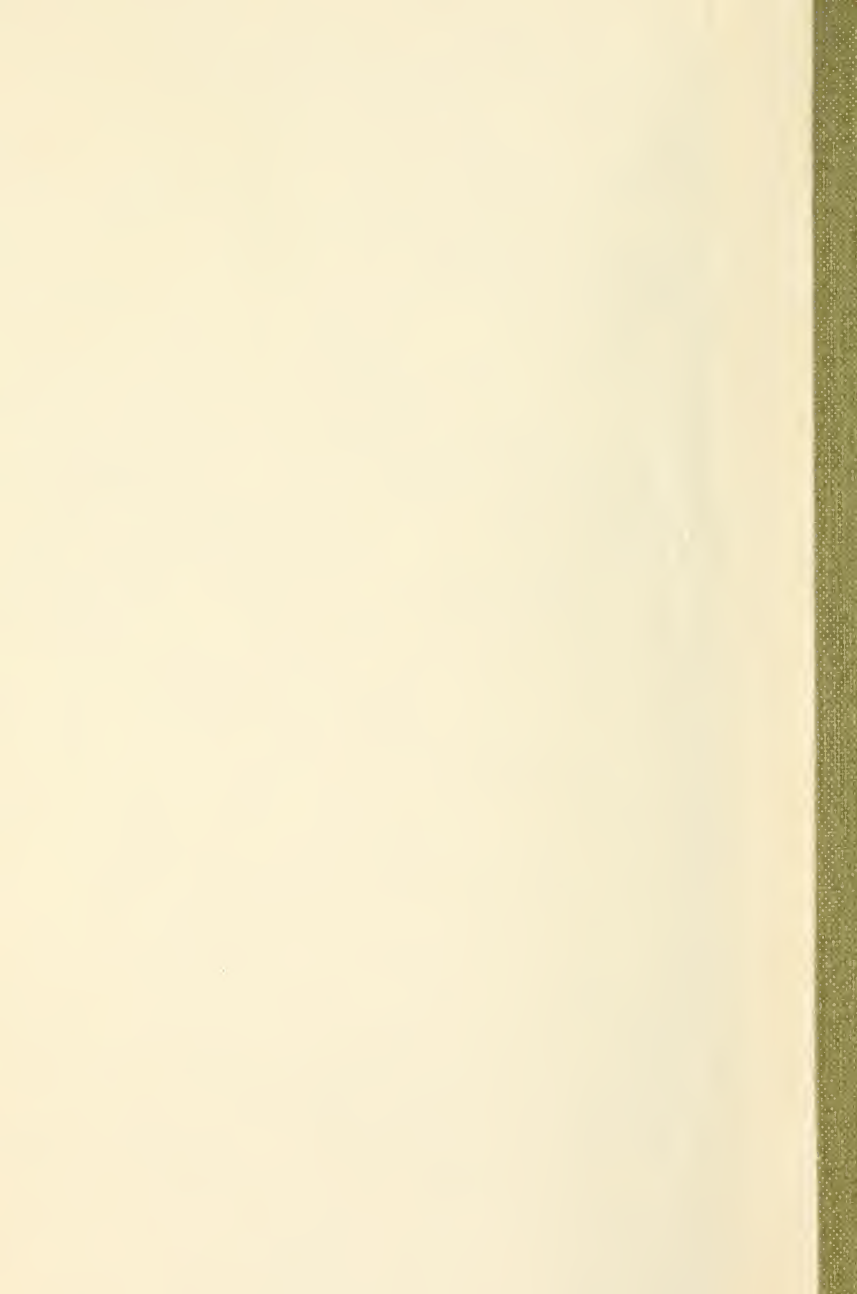


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Vol. LIV

Ottawa, January 4, 1936

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JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

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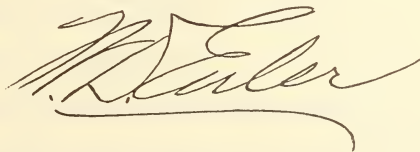
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To Our Readers

With the opening of the New Year, advantage has been taken to improve the appearance of the Commercial Intelligence Journal, which, continuously for the past thirty-two years has been published in the furtherance of Canadian export trade. It is hoped that in its new form its influence may be extended, and its circulation increased.

The Commercial Intelligence Service of Canada is almost world-wide in its field. The reports that appear in this publication are designed to be written from a distinctively Canadian point of view, and to present to our exporters and manufacturers reliable data on the economic and trade conditions prevailing in the countries to which the Trade Commissioners have been assigned and, especially, to draw attention to the opportunities for marketing Canadian products in these countries. At the same time, I am under the impression that the free and skilled service that is offered to our exporters by our officers abroad is perhaps not sufficiently utilized by them, and I hope that in 1936 they will make full use of this service.

I have reason to believe that the information contained in this Journal is appreciated by the interests it is intended to further, and a constant endeavour will be made to increase its usefulness. To that end constructive criticism from its readers will be welcomed.



WHEAT SITUATION IN SOUTH AFRICA

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

(One bag equals 200 pounds)

Johannesburg, November 15, 1935.—In September last the South African Department of Agriculture announced that wheat production in the Union for the current season was officially estimated at 6,000,000 bags. As this is approximately 1,500,000 bags in excess of normal consumption calculated at 4,500,000 bags a year, of which in the past a considerable quantity had to be imported, the question of what is to be done with the surplus is perturbing both the authorities and the farming community to no small extent.

REVISED CROP ESTIMATE

When the official estimate was first announced, various schemes for dealing with the surplus grain were put forward. No action, however, was taken in regard to such proposals, as it was pointed out that the preliminary figures were not necessarily accurate and that the margin between production and consumption might well be considerably less. And so it has proved.

A drastic revision in the wheat crop estimate was announced by the Department of Agriculture at the beginning of this week, when it was officially stated that the latest estimate was 5,361,000 bags, a decrease of nearly 700,000 bags. This short fall is attributed by the department to the ravages of drought and insect pests, particularly in the Orange Free State, where in September the crop was estimated at 1,496,000 bags as compared with 1,059,000 bags at the beginning of this month.

PRICE SITUATION

Notwithstanding this, the problem is obviously still a most serious one. It is understood that steps to prevent a complete collapse in the price of South African wheat will probably be taken before the end of the year and that every effort will be made to prevent the surplus from being dumped on the open market. Since the publication of the first estimate of 6,000,000 bags, the internal price for wheat has fallen, and it is reported that in many instances farmers are accepting 17s. and 18s. per bag as compared with 20s. and 21s., the prices ruling some months ago. The millers are not in the market at present because stocks on hand are sufficient to carry them along for some time yet, and on this account in some quarters the price of wheat is expected to drop to about 12s. 6d. per bag.

PAST DANGER OF BREAD SHORTAGE

To obtain a true perspective of the situation it is necessary to go back to 1917, when the danger of a bread shortage in the Union arose and a Select Committee was appointed by Parliament to investigate measures which might be adopted in order to effect an increase in domestic cereal crops for the manufacture of foodstuffs. This committee concentrated mainly on the wheat problem and definitely recommended an increase in production.

In the following year a Departmental Committee was appointed by the Minister of Agriculture to investigate and report on the production of wheat in the Union and to supply information and advice to farmers which would lead to its rapid increase.

While it has always been admitted that South African conditions of climate and soil are unsuited to the production of wheat, and that it is impossible for the South African farmer to compete in the open market with producers in over-

sea countries, the question of protection for the local industry did not come to the fore until 1923. Prior to that time ocean transport was slow, irregular, and sufficiently expensive to make it possible and profitable for the farmers of the country to produce sufficient wheat for local consumption.

IMPORT DUTIES ON WHEAT

From 1923 onwards, however, with the resumption of regular ocean freight services and the corresponding drop in ocean rates, the position of the local producer was endangered and it became necessary to protect him against foreign competition. One can trace a steady increase in South African ordinary customs duties on wheat in the grain from 1923 up to 1931, a trend which reached a climax in the Act No. 44 of 1931, under which a special import duty on wheat in the grain was brought into force, in addition to the ordinary duty.

This duty was equal to the difference between 11s. 3d. and the cost per 100 pounds to the importer at the Union port of entry. During the same year the farmer was guaranteed a minimum price of 22s. 6d. per 200-pound bag for his wheat from the millers. Provision had been made earlier in the year to protect the South African millers in turn from the competition of imported flour by Act No. 14 of 1931, the Flour and Meal Importation Restriction Act, which gave the Minister of Finance power to prohibit, control, or regulate the importation into the Union of wheaten flour and wheaten meal.

IMPORT DUTY ON FLOUR

In addition to this protection, of course, Act No. 44 of 1931 also provided for a special customs duty on imported flour, amounting to the difference between 18s. 6d. and the cost per 100 pounds to the importer at port of entry. Since 1931 such wheat and flour as has been imported came into the country only under special government permit.

The following table gives an interesting picture of the way in which South African farmers fell into line with the Government's policy:—

Area Sown to Wheat, Production and Consumption

Year	Area Sown to Wheat Morgen (2,1165 Acres)	Production Bags (200 Lbs.)	Consumption Bags (200 Lbs.)
1919-20	387,068	1,646,550	3,340,992
1920-21	413,545	2,284,010	3,324,183
1921-22	468,707	2,622,655	2,802,673
1922-23	400,487	1,811,355	3,283,542
1923-24	367,994	1,791,960	3,513,129
1924-25	356,624	2,139,575	3,411,614
1925-26	457,377	2,762,890	3,828,726
1926-27	416,023	2,484,620	3,949,336
1927-28	365,686	1,751,305	4,035,465
1928-29	369,638	2,230,440	4,135,517
1929-30	544,004	3,280,325	4,132,645
1930-31	598,000*	2,789,000*	3,800,000*
1931-32	820,000*	4,114,000*	3,500,000*
1932-33	723,000*	3,188,000*	3,500,000*
1933-34	594,000*	3,068,000*	3,500,000*

* Estimates.

IMPORTS

No later than 1928 South Africa imported 439,632,473 pounds of wheat. Since then the imports have fallen away each year, as the following figures show: 1929, 371,123,243 pounds; 1930, 114,531,732; 1931, 191,858,481; 1932, 64,740,602; 1933, 3,718,276; 1934, 53,199,196. In August of this year there were no importations.

Figures for the area sown to wheat during the 1934-35 season are not available, but, in any case, this year the country is faced with an estimated production of 5,361,000 bags. When it is considered that the greatest consumption of wheat in the history of the Union took place during the seasons 1928-29 and 1929-30, when the figure of 4,135,000 bags was reached, it will be seen that the disposal of the surplus, at prices which will show the producer a reasonable return, presents an extremely knotty problem.

COST OF PRODUCTION IN SOUTH AFRICA

In this connection it is interesting to note that in South Africa the cost of production per 200-pound bag of wheat may be anything from 12s. 2d. to £1 0s. 2d., depending upon several variable factors such as the area in which the wheat is produced and the size of the farm on which it is grown. The yield of wheat per unit area is much less in South Africa than in the principal wheat-producing countries of the world, as the appended table indicates:—

Yield of Wheat in the Principal Producing Countries

Country	1926	1927	1928	1929
	Bags per Morgen (2.1165 Acres)			
Germany	15.3	17.7	21.0	19.7
France	11.3	13.4	13.8	16.0
Italy	11.5	10.2	11.8	14.0
Canada	11.3	13.6	14.9	7.6
United States	9.3	9.4	10.0	8.4
Argentina	7.7	8.9	9.7	6.4
Australia	8.8	6.1	6.8	5.7
South Africa	5.8	4.7	5.3	6.2

WHEAT-GROWING IN THE UNION ECONOMICALLY CONSIDERED

A report recently published by the Division of Economics and Markets of the Department of Agriculture on the Wheat Industry in the Union concludes with the views that the wheat-producing areas of the Union are not particularly well suited for that purpose, and but for ample protection and even the total prohibition of imported wheat, farmers would be unable to make a living out of wheat-growing; that from a purely economic point of view it is doubtful whether wheat farming on its present scale in this country can be defended; but that from a national point of view it is desirable that the country should be partly, if not entirely, self-supporting in this commodity.

It is further suggested that as it is most unlikely that wheat farmers will be afforded any further protection, it will be advisable for them to put less acreage to wheat in future and to devote attention to a more mixed system of farming in which live stock should play a considerably more important part.

It should be pointed out that during the past year or two repeated warnings have been given, not only by Government authorities, but by members of the farming community and the milling industry as well, as to the dangers of over-production. Unfortunately, these do not appear to have been given much thought by the farming community generally, and one can understand the reluctance of the individual agriculturist to forgo the possibility of obtaining an assured profitable return for his wheat, when one considers the extremely poor returns he has been obtaining in recent years on other primary products such as wool and maize.

As a consequence, however, the country is faced with a most serious problem, and it remains to be seen how it may be solved in such a way as to bring the wheat farmers out of their present difficulties and prevent a recurrence of over-production in future years.

WHEAT INDUSTRY CONTROL BOARD

The Wheat Industry Control Act (No. 58 of 1935), which was passed during the last parliamentary session, included in its provisions the establishment of a board to be known as the Wheat Industry Control Board, and one of the first duties of this board, which is to meet again in Pretoria within the next few days, will be to submit to the Government proposals to deal with the unfortunate position in which the wheat farmers of the Union now find themselves. The Wheat Industry Control Board, which consists of eight members, is constituted as follows:—

- (a) Chairman (an officer of the Union Department of Agriculture).
- (b) Three members, representing members of wheat producers' co-operative societies in the Cape Province, the Orange Free State, and the Transvaal, respectively.
- (c) One member—to represent wheat producers not being members of co-operative wheat societies.
- (d) Two members—to represent the milling industry.
- (e) One member—to be neither directly nor indirectly connected with the wheat trade, and to represent the interests of consumers of wheat and wheat products.

POWERS VESTED IN THE BOARD

Among other powers vested in it under the Act, the board has powers

- (1) Wholly or partially to compensate wheat producers or co-operative organizations for any losses they may incur, in consequence of the storage of wheat;
- (2) To build up a reserve fund;
- (3) To devote its funds to the development and improvement of the wheat industry;
- (4) To advise the Minister of Agriculture on the prohibition, control, and regulation of the importation of wheat and wheaten products;
- (5) To advise the minister on the fixing of grades and standards of wheat and its products;
- (6) Generally to advise the minister on all matters relating to the marketing of wheat and wheat products and the development of the wheat industry and to recommend to him any steps which, in its opinion, are calculated to promote the welfare of that industry.

PROPOSED LEVY ON GRINDINGS OR PROCESSINGS

As outlined in *Farming in South Africa*, a publication issued monthly by the Union Department of Agriculture, the Act provides that the fund out of which the board may compensate producers and co-operative organizations for losses incurred in consequence of the storage of wheat is to be derived from a levy on wheat ground or otherwise processed by the millers, such levy not to exceed one shilling per bag, with the reservation that the board may impose different levies upon wheat produced in the different provinces and on wheat imported into the Union.

In the first instance, the levy is collected from the millers, but it is provided that the miller may recover the amount of the levy from the person on whose behalf he has ground or processed wheat, although every producer of wheat is entitled to exemption from the levy in respect of not more than thirty-five bags of wheat processed for him and intended by him for consumption by himself and his household during the calendar year concerned.

COMPENSATION FOR PRODUCERS

The board may, with the approval of the minister, out of its levy funds, wholly or partially compensate wheat producers who have stored wheat for at least six months during the twelve months ending September 30 in any year, for any loss which such producers have, in the opinion of the board, suffered in consequence of the storage of such wheat.

The conditions attaching to such compensation are:—

- (1) That it is payable only to a farmer who has stored not less than 1,200 bags;
- (2) That the grain, when placed in storage, was sound and suitable for storage, and that it was subsequently stored under suitable conditions;
- (3) That the loss is calculated on the basis of the difference between the price which the producer has obtained, or, in the opinion of the board, will probably be able to obtain eventually for the wheat in question, and the price which (again in the opinion of the board) he would have been able to obtain if he had not stored such wheat;
- (4) That no compensation shall be paid, unless the board is satisfied that the producer could not have obtained a better price for the wheat in question than the price which, in the opinion of the board, he would have been able to obtain if he had not stored such wheat;
- (5) That no compensation shall be paid in respect of any wheat which the producer could, in the opinion of the board, have sold at any time before or during the period of storage at a price equal to, or in excess of, the landed cost (import duty included) at which wheat could be landed in the Union on importation from abroad.

LIMITATION IN USE OF LEVY FUNDS

A further condition of great importance is one which provides that no levy funds received in respect of wheat produced in, say, the Cape Province may be utilized for paying compensation for losses sustained by wheat producers in respect of wheat produced in, say, the Orange Free State. Each of the provinces must contribute its share towards the administrative expenses of the board, but the levy money collected on the wheat of each province is kept strictly apart and used only for the benefit of such province.

Thus, if one province withholds its wheat from the market, thereby facilitating the sale of wheat produced in the other provinces, the latter may not afford financial support to that province, which will be obliged to rely upon its own resources.

LEVIES NOW EFFECTIVE

As the board was only established by proclamation in the *Government Gazette* of August 9, it has had little opportunity so far of dealing with other than formal matters. It has, however, already recommended to the minister that a levy of one shilling per 200-pound bag of wheat be imposed in respect of all wheat produced in the Cape Province, the Orange Free State, and in respect of wheat introduced from neighbouring territories such as Basutoland and Swaziland, and ground or otherwise processed by any miller in the Union. It has further recommended that a levy of sixpence per 200-pound bag be imposed in respect of all wheat produced in the Transvaal and ground or otherwise processed by any miller.

The minister's approval of these recommendations was gazetted on September 13 and the levies became effective from November 1.

It is suggested in some quarters that the present powers and functions of the Wheat Control Board are insufficient to prevent a serious decline in prices when, as in the present instance, a big crop comes on to the market. It is argued that the powers of the board contemplate only "normal circumstances" and that the present position is very far from normal.

It seems reasonable to suppose, however, that the clause in the Wheat Industry Control Act, empowering the board to recommend any action which, in its opinion, is calculated to promote the welfare of the wheat industry could be interpreted in such a way as to provide for any steps necessary in extraordinary circumstances.

One thing is, however, certain, and it is that, in its efforts to bring order out of chaos, the Wheat Control Board will require the closest co-operation and support, not only from all farmers and millers, but also from the consuming public generally throughout the Union.

GERMAN MARKET FOR FISH PRODUCTS

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

(R.M.I is approximately equal to Can.\$0.40)

I

Hamburg, December 5, 1935.—A detailed report on the German market for Canadian fish and fish products was published in *Commercial Intelligence Journal* No. 1423 (May 9, 1931). This section of the German market has since undergone considerable alteration, while it is equally the case that Canadian export trade in the various products concerned has been affected by the changing conditions of recent years. There is given herewith therefore a detailed review of the German market for fish products with special reference to those aspects which are of particular interest to Canadian exporters of these goods.

GERMAN FISHING INDUSTRY PRODUCTION

In comparison with other primary industries, the German fisheries are of small importance. They are, in fact, able to supply no more than 40 per cent of the total quantity of fish products consumed within the country. There is, however, a fairly extensive production of most types of fish suitable for human consumption, and it is rather for special industrial requirements than for consumption as food that large quantities of fish products have been imported from abroad.

In 1934 the total value of the catch in Germany's deep-sea and coastal fishing grounds was valued at R.M.71,568,000, a considerable increase over the 1933 total of R.M.60,246,000. The value of the 1934 catch approximates to the total value of Canadian production of fish products in the year 1933, and, when Germany's limited coastline is taken into consideration, must still be counted as substantial.

German fishing fleets have ready access to the North and Baltic Seas, from the former of which approximately 88 per cent of the total catch is taken. The North Sea fishing grounds are the source of the herring catch, the largest single item, followed in order of importance by cod, haddock, coal-fish and perch. Eels and turbot are the principal types taken from Baltic waters.

CONSUMPTION

The per capita consumption of fish and fish products in Germany during each of the past two years has been estimated at 19.5 pounds, which figure is considerably less than the estimate of 29 pounds per head recorded for Canada. In view, however, of the fact that Germany's per capita meat consumption increased to 120 pounds from a figure of 108 pounds estimated for 1933, even in face of higher prices and numerous strenuous efforts on the part of the Government and the fishing industry to encourage the consumption of fish, the relative positions of meat and fish in the diet of the German consumer may be readily understood. It is still possible that fish consumption may show substantial improvement.

GOVERNMENT AID TO THE INDUSTRY

During the past few years strenuous efforts have been made by the Government as well as by the fishing industry itself to render Germany less dependent on outside sources of supply of certain fish products. This has been particularly true of those items in which the German industry might reasonably increase its share of the trade through greater tariff protection against competition from other countries.

As a result, customs duties applicable to many of these products have been increased, while, in some cases, import quotas, of similar intent, have also been established. Coincident with this the industry has been subjected to extensive reorganization and official supervision, both of which have resulted in an enlargement of the fishing fleets and the attainment of a high standard of efficiency. New trawlers have been constructed and obsolete tonnage withdrawn from service, while equipment loans have been advanced to numerous concerns, all such measures having been arranged by the industry with governmental assistance.

Since April of this year, control over the fishing industry in Germany has been exercised by a union composed of all branches of the trade, including primary and secondary producers, importers, and wholesale and retail distributors. Supervision over production and utilization of the annual catch is vested in this body and strict control over marketing, including price-fixing if necessary, has thus been effected.

CAMPAIGN TO INCREASE CONSUMPTION

In addition to these measures, a campaign designed to increase the domestic consumption of fish has been carried on, but results, as evidenced by the figures of consumption given in the preceding section, have been disappointing. Fresh fish sales are still relatively small and there is some indication that fishing equipment is not being fully utilized. On the other hand, a definite appreciation in the quality of fish products marketed is apparent, while it is anticipated as well that expansion in fish canneries and fishmeal production will lead to improvements in the current situation.

FOREIGN TRADE IN FISH PRODUCTS

Germany's foreign trade in fish and fish products has declined drastically during recent years. In 1934 the total value of such imports, including fishmeal and fish oils, amounted to R.M.94,064,000 as compared with an estimated value of R.M.103,431,000 in 1933. Corresponding figures of exports during the past two years were: 1933, R.M.11,221,000; and 1934, R.M.8,508,000. It should be noted, however, that 1934 witnessed the imposition of drastic foreign exchange regulations as a result of which both total imports and trade in particular commodities with certain countries suffered serious dislocation. For this reason the comparison of 1934 import figures with those of previous years does not present a reliable picture of normal market trends, but rather of the unusual position obtaining at the moment and which may persist for some time to come.

Germany's export trade in fish products is relatively unimportant, although such countries as Czechoslovakia, Switzerland, and Austria, situated far from the sea-coast, take fair quantities of fresh and canned fish, fishmeal and fish oils which have been imported into and re-exported from this country.

In spite of decreased total trade, detailed figures of imports actually show increased German purchases of many items, the net decline being accounted for almost entirely by reduced sales to this country of fish oils and cured herrings. The following statement of imports during the years 1933 and 1934 illustrates this development:—

German Imports of Fish Products

Salt-water Fish—	Product	1933	1934
		Value in 1,000 Reichsmarks	
	Fish and whale oils	36,777	23,231
	Fishmeal	15,115	19,793
	Fresh herrings and sprats	13,669	14,250
	Cured herrings	16,043	11,916
	Canned fish	6,906	9,041
	Fresh haddock, cod, etc.	5,396	6,322

German Imports of Fish Products—Concluded

	1933	1934
	Value in 1,000 Reichsmarks	
Salt-water Fish—		
Prepared anchovies	1,082	1,182
Caviar and substitutes	978	990
Crustaceans	669	806
Eels, bloaters, sprats, simply prepared	711	514
Dried cod	249	260
Oysters	247	230
Mussels	54	36
Fresh-water Fish—		
Eels, tench, etc.	3,028	3,467
Crayfish	345	319
Carp	446	308

The decline in imports of cured herrings may be directly attributed to the increased competition from local sources, which in 1934 supplied 64·2 per cent of the total consumption of this product as compared with 57·6 per cent in 1933, to the detriment of supplies from the United Kingdom and the Netherlands. Shipments of fish oils to this country during the two years have been much below their usual level, and Norway's trade in this item has suffered considerably as a result of various import restrictions. Encouraging increases are shown above in respect to imports of fishmeal and canned fish, the former due to greater demand on the part of hog breeders, one result of the so-called "Fat Plan," and the latter due largely to augmented imports of canned sardines from Portugal.

In 1934 the United Kingdom and Norway together supplied over 55 per cent of the total value of fish and allied products imported into Germany. The trade from both these countries, however, showed heavy declines from totals for the previous year, although several other countries, notably Japan, improved their position in the market. Germany's imports from principal countries during the past two years are itemized below:—

German Imports of Fish Products by Countries of Origin, 1933 and 1934

Country of Origin	1933	1934
	Value in 1,000 Reichsmarks	
Norway	38,894	31,444
United Kingdom	26,268	18,332
Japan	2,949	7,838
Portugal	5,549	7,391
Denmark	6,771	6,857
Netherlands	7,130	6,490
Sweden	2,364	2,875
United States	2,095	2,258
Russia	1,608	1,697
Spain	1,608	1,729
Canada	2,013	1,183

CANADIAN INTEREST IN THE GERMAN MARKET

During the fiscal year ending March 31, 1934, exports of fish products from Canada to Germany were shown in Canadian returns as being valued at \$426,124. Preliminary figures covering the last fiscal year, however, show a considerable decline in this trade to some \$200,000. A certain proportion of this business is made up of purchases by German firms of fish products which are transhipped at German ports to neighbouring countries such as Czechoslovakia and Austria. Similarly, transshipment business to this market from the Netherlands is not itemized in such statistics. German import figures, accordingly, provide a more reliable gauge of the actual value of this trade than do Canadian returns.

IMPORTS FROM CANADA

Imports of fish and allied products of Canadian origin into Germany during the calendar years 1933 and 1934 are shown in official returns to have reached

values of R.M.2,013,000 and R.M.1,183,000 respectively, the latter figure representing 1·2 per cent of the total value of all such imports.

The composition of these figures is as follows, 1933 values being given in parentheses: live eels, R.M.11,000 (nil); frozen salmon and frozen eels, R.M.125,000 (R.M.205,000); mild cured salmon, R.M.632,000 (R.M.437,000); caviar, R.M.3,000 (nil); canned lobster, R.M.27,000 (R.M.50,000); fish oil, R.M.139,000 (R.M.1,034,000); fishmeal, R.M.245,000 (R.M.280,000); canned salmon, R.M.1,000 (nil).

POSITION AND OUTLOOK

From the figures given above it will be readily apparent that a decline in the total value of Canada's exports of fish and fishery products to Germany in 1934 has been accompanied by encouraging increases in some items. Such fluctuations in the value of trade in individual articles between consecutive years, due to conditions of supply as well as tariff changes, are to be expected even under normal circumstances. It must be emphasized, however, that at present and for some time in future exports of these products to Germany will be affected by the many regulations applying to payment for foreign imports, which have been the subject of reports appearing in the *Commercial Intelligence Journal* since the first of this year and which present serious obstacles to all trade to this market.

BARTER TRANSACTIONS

Under such conditions it can only be said that the outlook for a general improvement in the market for fish products, for the moment, is distinctly unfavourable, although Canada's position as a supplier of these goods may be maintained if exporters are in a position, and willing, to make shipments to Germany through barter transactions. All arrangements involving the sale of foreign fish products to Germany are now subject to supervision by various control boards who strictly regulate such imports and, in co-operation with the foreign exchange authorities, stipulate as well the conditions under which the business is to be carried on. It will be evident that an open market for fish products in this country no longer exists and that importers are quite unable to buy as freely from abroad as they have in the past.

ARRANGEMENT FOR PAYMENT CHIEF BAR TO IMPORTS

The arrangement of payment is the chief obstacle to the maintenance of Canada's trade in fish products to the German market. There is reason to believe that the German fishing industry will make no further demands for tariff protection, being satisfied that the level of customs duties established in the past few years, as well as the indeterminate but effective obstacle to imports now provided by the foreign exchange situation, will exercise sufficient restriction on the volume of foreign imports. This is particularly true in the case of those varieties of food fishes which are not obtainable from German sources and which might serve as propaganda in any schemes to increase the total consumption of fish at the expense of meat foods.

As a result of these conditions, and in spite of a probable decrease in the volume of this trade, enhanced prices for those imports which may be allowed entry into the German market may be expected. It must still be borne in mind that payment for goods of Canadian origin can only be effected with the greatest difficulty and that, regardless of the standing of local connections of Canadian exporters, every precaution must be taken to avoid losses or similarly undesirable financial difficulties.

CHRISTMAS TREES IN THE UNITED KINGDOM MARKET

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, December 16, 1935.—Seasonal inquiries are received from the Maritime Provinces regarding the prospects for marketing Canadian Christmas trees in the United Kingdom, and an investigation made by the Canadian Trade Commissioners in this country reveals that, apart from the existing prohibition of imports of trees, there is no opportunity for the sale of Canadian trees in this market, freight costs being too high in view of the prices obtainable and local supplies being adequate to the demand.

The tree in demand is *Picea excelsa*, commonly called in this country Norway spruce. Spruce is preferred in Great Britain because of its erect and conical outline and its branches which do not sag. Small quantities of fir might be used in the absence of spruce. It is estimated that the number sold aggregates 750,000 a year.

DOMESTIC SUPPLIES

As a result of forestry activities during the War and the subsequent scarcity, trees for the Christmas trade were imported from Western Europe at very low prices. The British Forestry Commission is active in carrying forward a reforestation plan, with the result that a large supply of small trees has been available for the Christmas trade in recent years. Prospects are good and the domestic product will undoubtedly be able to supply all demands in a few years, although drought and frost have brought about a temporary setback. During the past two years importation has been prohibited as a health measure, but locally grown trees have met almost the entire demand.

MARKETING METHODS

The Forestry Commission markets small quantities of trees, but generally confines its activities to developing and assisting commercial production. The business is really in the hands of nurserymen, although fair quantities of trees are cut on private estates. Cutting usually begins about the middle of November. In the Irish Free State the present limited demand is easily supplied from the country districts, where there has recently been considerable reforestation, especially in the mountain areas of the south.

SIZES AND PRICE RANGE

The larger sizes are not in great demand and form only a very small proportion of the total business. The smallest sizes are purchased largely by the poorer folk and also for store decoration. One of the large chain stores makes a specialty of a small tree (1½ foot) which is retailed in large quantities for 6d. (12 cents Canadian). The sizes up to 4 feet find the greatest demand, mainly because of price, but also because of the household space available. In the Irish Free State the general demand is for 3-foot trees, and these are cut as required, retailing for about 2s. 6d. each.

TRADE OF NIGERIA IN 1934

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Liverpool, December 16, 1935.—The Colony of Nigeria, in common with the other West African countries, suffered during the greater part of 1934 from acute trade depression brought on chiefly by the extremely low prices offered in world markets for her natural produce. Since the ability of the West Africans to buy imported goods varies directly with the prices obtained for their exports, the value of imports into Nigeria for the year reached a low record. An illustration of the conditions prevailing is the fact that the revenue received from import and export duties was the lowest recorded for twelve years, the average monthly collection dropping from £276,018 in 1930 to £165,242 in 1934.

The last two months of the year witnessed a decided improvement. The prices of produce rose and the general trade of the country responded to this stimulating effect. This improvement came in time to effect a much better showing in the trade statistics for the year than had been expected. While import values were below those of 1933, the exports of the principal products of the Colony, with one exception, all showed an increase in quantity, and the total value had appreciated also.

IMPORTS

Total imports for 1934 were valued at £5,363,680. When compared with 1933 this amount shows a decrease of £976,212 and is the lowest total of the nine-year record given in the statistics. Although a decrease occurred in the value of imports, the amount of the cargo landed (318,087 tons) shows an increase over that for 1933 of 20,187 tons.

Among the principal items of import to show a decline were the following, figures for 1933 being shown in parentheses:—

Cotton Piece-goods.—£1,302,555 (£2,076,552). This is the most important item in the trade and declined in quantity 31,946,766 square yards and in value £771,692. This falling off is due in part to the imposition of a quota for Japanese cotton and rayon textiles. A feature of the trade was the entry of 8,200,000 square yards of Russian textiles during the year.

Cigarettes.—£190,657 (£205,810). This reduction involves approximately 25,500,000 cigarettes.

Motor Spirits.—£121,097 (£135,347). While there was a reduction in value of £14,250, there was an actual increase in quantity of 1,875,944 gallons. This figure shows actual importations and not consumption.

Boots and Shoes Other than Leather.—£13,264 (£19,285). The quantity decrease was 100,000 pairs. High duties on cheap Japanese shoes mainly account for this decline.

Other reductions were as follows:—

Fish, £193,316 (£266,885); wearing apparel, £108,782 (£122,883); tobacco, unmanufactured, £93,861 (£118,824); kerosene, £63,036 (£89,363); sugar, 55,757 (£58,850); chemicals, £45,433 (£53,701); stationery, £45,218 (£47,249); ale and beer, £43,481 (£51,608); flour, £34,773 (£43,373); milk, £21,342 (£24,448); timber, sawn or hewn, wholly or partly dressed, £4,765 (£8,780); timber, manufactured, £19,333 (£23,319).

Increases occurred in the following items:—

Iron and steel manufactures, £460,873 (£451,108); bags and sacks, £227,878 (£204,454); coopers' stores, £200,110 (£91,887); motor cars and parts, £97,707 (£91,433); cement, £81,252 (£78,363)—the quantity increase was 35,000 tons and was the highest recorded since 1931; machinery, £79,413 (£46,380); medicines and drugs, £74,028 (£72,093); motor lorries and parts, £73,750 (£67,549); implements and tools, £62,929 (£56,567); iron and other metals, £43,605 (£32,879); and boots and shoes, leather, £8,747 (£6,522)—the trade in leather shoes increased by 20,000 pairs.

CANADA'S PARTICIPATION IN THE IMPORT TRADE

Canada's participation in the import trade of Nigeria in 1934 was concerned with the supply of certain manufactured articles and food products. Apart from the United Kingdom, among the Empire countries trading into this colony, Canada ranked second in importance, although the value of her trade was considerably less than that of India. During 1933 the value of imports of manufactured articles from Canada into Nigeria was nil, and the value of food products £418. The figures for 1934 are given as £26,072 and £4,590 respectively. This improvement in the face of reduced import values is noteworthy.

A feature of the Empire's trade with the colony is that, while the United Kingdom's share was reduced from £4,390,652 to £3,149,539 (excluding bullion and specie), the total for the other parts of the Empire improved from £265,299 to £395,947. The principal countries to share in this increase were India and Canada. Sierra Leone, the Gold Coast, and South Africa suffered considerable decreases.

ITEMS OF INTEREST TO CANADA

In the categories mentioned above Canada's participation in the more important articles in relation to other suppliers was as follows:—

Articles Wholly or Mainly Manufactured

Motor Lorries.—Total, £64,813 (£62,415): United Kingdom, £29,482 (£23,132); United States, £25,236 (£36,880); Canada, £9,985 (nil).

Motor Cars.—Total, £70,734 (£64,056): United Kingdom, £53,930 (£53,605); Canada, £7,952 (nil); United States, £6,849 (£7,989).

Motor Car and Lorry Parts.—Total, £35,910 (£32,511): United Kingdom, £21,200 (£19,298); United States, £9,590 (£11,095); Canada, £3,213 (nil); Germany, £1,184 (£931).

Coopers' Supplies.—Total, £200,111 (£91,887): United Kingdom, £129,826 (£51,624); Italy, £28,002 (£9,754); Holland, £21,479 (£8,770); Germany, £15,331 (£16,029); United States, £2,672 (£2,261); Czechoslovakia, £812 (£24); Canada, £756 (nil); Sweden, £662 (nil).

Lumber, Sawn or Hewn, Wholly or Partly Dressed.—Total, £4,765 (£8,780): United States, £1,568 (£1,355); Sweden, £1,066 (£2,184); Russia, £925 (nil); Canada, £461 (nil).

Wood and Timber, Manufactured.—Total, £19,333 (£23,319): United Kingdom, £6,902 (£9,473); United States, £3,478 (£1,168); Canada, £2,869 (nil); Germany, £2,329 (£10,054); France, £774 (£1,149); Norway, 747 (nil).

Medicines and Drugs.—Total, £69,258 (£72,093): United Kingdom, £59,499 (£64,581); Germany, £6,079 (£4,658); France, £1,271 (£968); United States, £881 (£298); Belgium, £412 (£503); Australia, £288 (nil); Canada, £223 (nil).

Toilet Soap.—Total, £4,890 (£5,216): United Kingdom, £4,189 (£4,661); Germany, £272 (£283); Holland, £163 (£64); France, £77 (£169); Canada, £75 (nil); Japan, £50 (£8).

Photographic Materials.—Total, £1,777 (£1,863): United Kingdom, £1,006 (£1,266); Germany, £641 (£490); Canada, £67 (nil).

Motor Tires.—Total, £33,594 (£35,048): United Kingdom, £24,366 (£28,987); France, £6,523 (£3,641); United States, £1,682 (£768); Germany, £954 (£1,112); Canada, £66 (nil).

Chemicals, Other Kinds.—Total, £45,433 (£53,701): United Kingdom, £40,500 (£49,430); Germany, £2,461 (£1,550); Belgium, £1,112 (£660); United States, £653 (£278); France, £252 (£280); Italy, £117 (£108); Canada, £56 (nil).

Food Products

Flour.—Total, £34,773 (£43,373): United States, £30,344 (£32,157); Canada, £2,145 (£139); United Kingdom, £2,026 (£10,622).

Canned Fish.—Total, £13,329 (£16,541): Portugal, £4,218 (£578); United Kingdom, £2,126 (£8,314); United States, £2,056 (£624); Canada, £1,470 (£279); Russia, £1,122 (nil).

Grain, Other Kinds.—Total, £1,896 (£2,035): United States, £1,247 (£1,033); United Kingdom, £390 (£861); Canada, £157 (nil).

Smoked Meat.—Total, £3,813 (£2,852): United Kingdom, £1,831 (£2,525); Denmark, £951 (nil); Germany, £400 (£252); United States, £254 (£18); Holland, £143 (£24); Canada, £135 (nil).

Fresh Meats.—Total, £7,688 (£8,420): United Kingdom, £3,792 (£8,208); New Zealand, £1,121 (nil); Denmark, £1,082 (nil); United States, £701 (£4); Argentina, £419 (nil); Germany, £245 (£164); Canada, £86 (nil).

Farinaceous Products.—Total, £1,751 (£1,545): United Kingdom, £463 (£1,078); Belgium, £382 (£6); Italy, £351 (£115); France, £218 (£179); United States, £120 (£67); Canada, £79 (nil).

Fresh Fruit.—Total, £1,028 (£1,187): United Kingdom, £353 (£973); United States, £189 (£43); Australia, £98 (nil); Spain, £71 (nil); South Africa, £55 (nil); Canada, £44 (nil).

Jams, Jellies, etc.—Total, £4,049 (£4,484): United Kingdom, £2,486 (£4,185); United States, £1,045 (£65); France, £125 (£56); Germany, £65 (£136); South Africa, £61 (nil); Canada, £16 (nil).

EXPORTS

The value of the exports of the natural produce of Nigeria during 1934 was £8,733,630 as compared with £8,560,061 in 1933, an increase of £173,569. This improvement is notable especially in view of the low prices obtainable for agricultural products, which formed the bulk of the exports. All the principal products concerned, namely, palm oil and kernels, cocoa, ground nuts, and hides and skins, showed an increase in volume of exports with the exception of those of palm oil, which decreased from 128,696 tons in 1933 to 112,773 tons in 1934.

Distribution of the exports of these products in 1934 was as follows:—

Palm Oil.—Total exports, £885,400 (£1,384,431 in 1933): chiefly to the United Kingdom and Italy. (Canada, £33,058.)

Palm Kernels.—Total exports, £1,590,646 (£1,898,522): chiefly to the United Kingdom, Germany, and Holland.

Cocoa.—Total exports, £1,290,436 (£1,143,627): chiefly to the United States, Holland, the United Kingdom, and Germany. (Canada, £4,409.)

Ground-nuts.—Total exports, £1,860,287 (£2,064,369): chiefly to France, the United Kingdom, Italy, Germany, and Holland.

Hides and Skins.—Total exports, £715,541 (£590,016): chiefly to the United Kingdom, the United States, and France.

MARKET FOR PROCESSED CHEESE IN HONGKONG AND SOUTH CHINA

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(The exchange value of the Hongkong dollar in terms of Canadian currency for the years 1931 to 1934 was in cents: 1931, 23·625; 1932, 23; 1933, 28·75; and 1934, 38·19. The average rate for the year 1935 to date has been 50·08.)

Hongkong, November 15, 1935.—Processed cheese is well liked in this territory, and enjoys both a local consumption and distribution through the sub-dealers in the outport territories of Swatow, Amoy, the southern territory of Kwong-Chow-Wan, Macao, Kongmoon, and Canton.

Import statistics are inexact, owing to the classification of all types of cheese under one entry, but the maximum size of the market can be roughly estimated from the totals credited to those countries supplying processed cheese, which are Australia, New Zealand, and the United States. These figures for the years 1931 to 1934 inclusive are given herewith:—

	1934	1931	1932	1933
	HK\$	HK\$	HK\$	HK\$
Australia	40,704	18,425	36,379	43,171
New Zealand	14,601	3,490	5,450	14,971
United States	12,328	25,100	6,304	3,741
Total	67,633	47,015	48,133	61,883

During the nine months of the present year, for which the figures are available, the imports of cheese from these three countries have amounted to

HK\$40,560, of which Australia supplied HK\$25,034, New Zealand HK\$5,297, and the United States HK\$10,229.

PACKING AND MARKET PREFERENCE

The turnover in processed cheese is limited to foil-wrapped blocks of 5 pounds in wooden boxes, with the turnover in $\frac{1}{2}$ -pound individual packages of the type common in Canada not constituting over 2 per cent of the sales. For ease of handling, export shipments of these 5-pound boxes are strapped in bundles of six or eight pieces.

The foil wrappers are customarily marked in either red or blue in such a way as to show $\frac{1}{2}$ -pound segments. The preferred texture is from medium soft to firm, while preference is for a yellow golden colour. Australian and New Zealand packs are regarded as too brilliant in colour.

The experience of the importers with softer types of processed cheese known as "Easy Spread" has not been successful owing to a tendency to mildew under the humid conditions experienced during the greater portion of the year.

Canadian exporters interested in the market will find that their products for domestic sale will be satisfactory in colour, texture, and packing.

QUOTATIONS

Full-cream processed cheese of Australian origin is quoted by the importer at 4s. 6d. sterling per 5-pound block or the equivalent of 22 cents to 22 $\frac{1}{4}$ cents per pound c.i.f., c. & e. The landed cost of this product is in the neighbourhood of 20 cents to 20 $\frac{1}{2}$ cents per pound.

Supplies from the United States show a spread of prices with quotations ranging from 20 cents to 23 $\frac{1}{2}$ cents to the dealer, or 17 $\frac{1}{2}$ to 21 $\frac{1}{2}$ cents c.i.f., c. & e., with the original processed cheese commanding the highest price. Importers are of the opinion that Canadian supplies should be saleable at 21 cents to 21 $\frac{1}{2}$ cents c.i.f. Hongkong.

Skimmed milk processed cheese is known on the market, and is considered as satisfactory. Importers in the past, however, have experienced a difficulty in obtaining continuity of supply, and would be interested in obtaining contacts.

In the past the price differential in favour of the skimmed milk product has been from 3 cents to 3 $\frac{1}{2}$ cents per pound.

TERMS

Payment by draft at thirty days D/P is customary, though certain of the importers use the "authority to purchase" accommodation provided by banks in this territory. Irrevocable letters of credit are used on occasion, but in so far as the costs to the importer are higher, they require an additional discount of 2 per cent to justify the tying up of capital.

These quotations have been converted to a c.i.f. basis on the assumption that the importer's profit is 10 per cent gross. Included in the charges which he must meet from his return are the following: brokerage, half of 1 per cent; commission, half of 1 per cent; bank interest, 1 per cent; sundries, 1 per cent, with additional bank charges of 1 $\frac{1}{2}$ per cent against the establishment of irrevocable letter of credit. The normal net profit in the trade therefore is only 7 per cent.

SAMPLES

Packers considering entrance into this market must realize that samples are imperative, and these should be forwarded to this office, together with full

information covering such points as time of delivery, terms required, and the extent to which co-operation will be extended either by way of introductory discounts or advertising allowances.

INQUIRIES

Subject to a price which is competitive any representative Canadian cheese of the processed type, whether full-creamed or skimmed milk, will prove saleable. Several inquiries have recently been received with a view to establishing connections through this office. Alternatively, exporters can obtain the names of suitable firms on application to the Department of Trade and Commerce, Ottawa, referring to this report and quoting file No. 12962. This alternative, however, involves the use of several sets of samples.

MARKET FOR PEARL BARLEY IN HONGKONG

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(The exchange value of the Hongkong dollar in terms of Canadian currency for the years 1931 to 1934 was: 1931, 23·62 cents; 1932, 23 cents; 1933, 28·75 cents; and 1934, 38·19 cents. The average rate for the year 1935 to date has been 50·08 cents. One picul equals 133½ pounds.)

Hongkong, November 19, 1935.—Canadian pearl barley in recent years has not been competitive in this territory with supplies of German and Netherlands origin, but recent cabled advices from Hamburg indicating a scarcity of suitably sized barley in the new season's crop have had the effect of advancing the local prices to the point where sales may be possible during the coming months.

The *Hongkong Trade and Shipping Returns* include feeding barleys and pearl barley under the heading of "barley." From the entries by countries of origin, however, it is apparent that barleys from North China are for feedstuffs, as are the smaller quantities credited to Central and South China.

Small lots of Russian pearl barley transhipped at Shanghai have been coming into this market for the past twelve months.

Supplies from Germany, the Netherlands, the United States, and Canada are practically confined to pearl barley. Imports from these countries for the years 1931 to 1934 are given hereunder:—

Imports of Barley into Hongkong from Certain Countries

		1931	1932	1933	1934
Canada.. . . .	Piculs	4,283	2,912	5,532	1,928
	HK\$	59,630	46,571	61,403	12,306
Germany	Piculs	.....	.....	761	3,194
	HK\$	.....	.....	9,870	28,723
Holland.. . . .	Piculs	.....	.....	.....	462
	HK\$	.....	.....	.....	3,920
United States	Piculs	2,252	774	1,013	56
	HK\$	71,497	20,000	19,126	1,050
Total	Piculs	6,535	3,686	7,306	5,640
	HK\$	131,127	66,571	90,399	45,999

Imports from these countries during the first nine months of 1935, for which statistics are available, are as follows: Canada, 1,312 piculs (HK\$6,636); Germany, 2,227 piculs (HK\$15,035); Holland, 126 piculs (HK\$1,080).

MARKET PREFERENCES

In the opinion of the dealers a pearl barley suitable for the market must have the following characteristics:—

(1) Uniformity in size with a round rather than an oval shape; the size is, if anything, smaller than is typical of the Canadian crop.

(2) The colour should be white, though a silvery shade will be accepted. A chalk whiteness not noticeably discoloured is typical of a preferred quality, while the presence of a yellow tinge in a sample at once classifies the product as inferior, and, if noticeable, makes the product unsaleable.

German barley is favoured both by reason of its cheapness and for its colour and roundness of kernel, though importers believe North American supplies to be superior in uniformity, grading, and in absence from dust.

The principal criticism against supplies from North America, apart from the non-competitive nature of the quotations, is the noticeable discolouration of the kernels, and the tendency towards an oval shape.

QUOTATIONS

German exporters each have their own grading standards, which makes it difficult to establish quotations on qualities roughly comparable to Canadian.

The standard German pack is in sacks of 112 pounds, double wrapped with outer cover of canvas and inner of cotton; all quotations given on German barley are subject to this packing. One supplier makes sundry quotations c.i.f. Hongkong at 9s. 7d., 10s. 1d., 10s. 11d., 13s. 10d., and 15s. 11d. Buyers' interest is confined to the quotations 10s. 1d. and 10s. 11d.

Business was recently accepted at £10 sterling per ton of 2,240 pounds c.i.f.

A third supplier quoting c.i.f. against a different classification offers qualities at 9s. 10½d., 10s. 2d., 10s. 11d., and 12s., with business being placed on the 10s. 2d. and 10s. 11d. qualities.

A fourth quotes c.i.f. at 10s., 10s. 6d., 11s., and 11s. 6d., with the 11s. quality preferred, and the sales of the other grades approximately equal.

A fair estimate of the typical German quotations on the pearl barley preferred in this market would be from 10s. 11d. to 11s. per 112 pounds c.i.f. Hongkong. These quotations are no longer effective.

New season's crop pearl barley from the United States is being quoted c.i.f. Hongkong at U.S.\$3.70 per 100-pound bag packed in double jute and cotton sacks, but it is not competitive. Dealers indicate a c.i.f., c. & i., price in the neighbourhood of U.S.\$3.50 as a maximum.

IMPORT CHARGES

In so far as the typical expenses of the importer in connection with the business amount to 4 per cent, comprised of compradore charges, bank charges, commission, brokerage, and petties, and a net profit of 6 per cent, the markup in c.i.f. prices is in the neighbourhood of 10 per cent. A workable net c.i.f. price on North American pearl barley would be from \$3.10 to \$3.20, or possibly even U.S.\$3.25

Supplies of Russian pearl barley have been available on occasions during the past twelve months, and have been quoted to the trade at HK\$9 per picul, packed in double gunny bags of 112 pounds, which with an exchange rate at 38 cents, is the approximate equivalent of Can.\$1.65 per 100 pounds c.i.f. this port through export house in Shanghai. No continuity of supply has been maintained, and in so far as the cargo is transhipped from Shanghai, it is possible that this and other shipments have been distress stock.

CANADIAN OFFERS

To date Canadian firms have not been able to quote a landed price lower than Can.\$3.75 per 100 pounds, in double bag of jute and cotton. Quotations

from the Dominion have always been high, but the present scarcity of German stocks may advance quotations to a point where business is possible.

Canadian exporters of pearl barley who are interested in this market should communicate with this office, supplying samples of not less than 5 pounds for distribution to importers.

Full advice on labelling, deliveries, and terms of payment should be included, while provision should be made to supply a cabled quotation good for forty-eight hours, such cable to arrive some three days after receipt of the samples.

TRADE WITH PALESTINE, 1934

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

Cairo, November 29, 1935.—The *Palestine Blue Book*, 1934, which has just been published contains detailed statistics regarding Palestine's foreign trade during 1934 which makes it possible to add to the preliminary data contained in *Commercial Intelligence Journal* No. 1650 (September 14).

IMPORTS FROM CANADA

The value of imports from Canada rose during 1934 to £P32,689 from £P15,216 in 1933, an increase of £P17,473.

The main items in imports from the Dominion to Palestine during the last two years are given in the following table. (The Palestinian £—£P—is equal to the £ sterling.)

	Unit	1933		1934	
		Quantity	Value £P	Quantity	Value £P
Wheat flour . . . . .	..kilos	843,750	8,976	769,622	7,783
Fish, canned . . . . .	..kilos	43,420	1,622	133,553	5,024
Apples, fresh . . . . .	..kilos	12,919	372	145,231	2,569
Pears, fresh . . . . .	..kilos	.....	.....	14,303	614
Other foodstuffs . . . . .	.....	.....	1,022	.....	949
Box-shooks . . . . .	.....	.....	.....	.....	5,420
Upper leather . . . . .	..kilos	2,454	1,725	5,237	3,188
Wearing apparel . . . . .	.....	.....	33	.....	1,954
Soap, toilet . . . . .	..kilos	.....	.....	7,090	496
Electric apparatus . . . . .	.....	.....	2	.....	887
Automobile parts and rubber tires . . . . .	.....	.....	469	.....	747
All other goods . . . . .	.....	.....	995	.....	3,058
Total . . . . .	.....	.....	15,216	.....	32,689

EXPORTS TO CANADA

Palestinian exports to Canada increased in value from £P13,229 in 1933 to £P14,510 in 1934. The main items in 1934 were oranges (26,937 boxes, £P12,488) and artificial teeth (£P1,502).

IMPORTS OF INTEREST TO CANADA

The following articles have been singled out from the 1934 imports as being of special interest to Canadian exporters, and the chief consigning countries, together with value, are indicated for reference purposes. (The figures in parentheses are those for 1933.)

Wheat.—Total, £P321,802 (£P448,236): Syria 14,798 tons, £P134,449 (18,324 tons, £P173,580); Turkey 19,315 tons, £P120,505 (18,377 tons, £P121,659); Russia 4,229 tons, £P24,499; Iraq 2,501 tons, £P15,009; Australia 2,309 tons, £P13,962 (6,235 tons, £P42,053).

Wheat Flour.—Total, 24,695 tons, £P232,220 (26,919 tons, £P264,679): United States 9,207 tons, £P96,882 (4,947 tons, £P56,085); Australia 10,824 tons, £P81,001 (7,874 tons, £P66,027); Syria 3,761 tons, £P45,557 (5,230 tons, £P61,751); Canada 770 tons, £P7,783 (844 tons, £P8,976).

Cheese.—Total, 600 tons, £P44,458 (293 tons, £P22,595): Holland 169 tons, £P10,441 (71 tons, £P4,347); Switzerland 64 tons, £P8,489 (44 tons, £P5,751); Denmark 71 tons, £P3,668 (19 tons, £P911); United Kingdom 12 tons, £P1,263 (15 tons, £P1,427).

Fish, Dry Salted or Smoked.—Total, 1,660 tons, £P37,812 (1,152 tons, £P25,921): United Kingdom 745 tons, £P14,484 (488 tons, £P8,787); Turkey 379 tons, £P11,326 (252 tons, £P7,022); Holland 147 tons, £P2,832; Russia 101 tons, £P2,236 (14 tons, £P375); Norway 45 tons, £P674 (8 tons, £P92); France 2 tons, £P54 (47 tons, £P1,334).

Fish, Canned.—Total, 1,112 tons, £P49,389 (583 tons, £P26,913): Portugal 390 tons, £P19,172 (204 tons, £P9,684); Japan 214 tons, £P6,248 (66 tons, £P1,967); Canada 132 tons, £P5,024 (43 tons, £P1,622); Latvia 47 tons, £P2,876; United Kingdom 43 tons, £P1,895; United States 27 tons, £P1,306 (1 ton, £P91).

Milk, Condensed.—Total, 477 tons, £P16,054 (205 tons, £P8,588): Holland 271 tons, £P8,587 (101 tons, £P3,236); Denmark 85 tons, £P2,799 (11 tons, £P452); United Kingdom 57 tons, £P1,376; Irish Free State 38 tons, £P1,082 (6 tons, £P217); Switzerland 12 tons, £P624 (33 tons, £P2,130); United States 9 tons, £P326.

Apples, Fresh.—Total, 5,347 tons, £P95,263 (2,457 tons, £P44,689): United States, 1,936 tons, £P51,303 (607 tons, £P17,826); Canada 145 tons, £P2,569 (13 tons, £P372).

Preserved Fruits in Syrup.—Total, 189 tons, £P6,135 (79 tons, £P3,011): Italy 36 tons, £P1,389; United States 63 tons, £P2,376; United Kingdom 11 tons, £P552.

Potatoes.—Total, 12,349 tons, £P73,150: Cyprus 6,227 tons, £P37,605; Syria 3,478 tons, £P20,380; Holland 1,364 tons, £P8,254; Hungary 423 tons, £P2,363; Italy 144 tons, £P740.

Whisky.—Total, £P9,343 (£P8,444): United Kingdom £P9,263 (£P8,286).

Wood for Building.—Total, £P460,410 (£P253,767): Roumania £P277,078; Russia £P64,120; Poland £P55,939.

Box Shooks.—Total, £P242,838 (£P145,097): Roumania £P139,815 (£P92,703); Russia £P46,971 (£P11,093); Poland £P24,801 (£P19,877); Yugoslavia £P22,419 (£P13,244); Canada £P5,420 (nil).

Asbestos Manufactures.—Total, £P6,030 (£P1,648): United Kingdom £P1,619; Yugoslavia £P1,420; Belgium £P1,170.

Iron Tubes and Fittings.—Total, 20,470 tons, £P366,032: Germany 7,765 tons, £P139,466; Czechoslovakia 4,131 tons, £P76,233; Poland 2,728 tons, £P43,309; United Kingdom 2,517 tons, £P37,206; Japan 757 tons, £P25,852.

Aluminium Sheets.—Total, 57 tons, £P6,806: Switzerland 44 tons, £P5,060; France 11 tons, £P1,248.

Safety Razor Blades.—Total, £P7,698: United States, £P2,275; Germany, £P2,114; United Kingdom £P1,923; Syria £P720.

Electric Batteries.—Total, £P2,916: Germany £P1,098; Czechoslovakia £P901; United Kingdom £P445.

Radios and Parts.—Total, £P52,759: United States £P25,031; Holland £P9,513; United Kingdom £P8,784; Austria £P6,355; Germany £P2,258.

Agricultural Machinery.—Total, £P56,632 (£P56,376): United States £P48,114; Germany £P3,581; United Kingdom £P1,758.

Typewriters.—Total, £P20,795: United States, £E11,534; United Kingdom, £P4,398; Germany £P3,151; Switzerland £P1,580.

Upper Leather, Glazed and Kid.—Total, £P19,191 (£P14,615): United States £P10,384 (£P9,670); Canada £P3,188 (£P1,725); Germany £P1,586.

Fruit Wraps, Paper.—Total, 1,297 tons, £P23,082: Sweden 752 tons, £P13,739; Czechoslovakia 469 tons, £P8,055.

Printing Paper.—Total, 2,726 tons, £P41,423: Austria 1,019 tons, £P19,302; Finland 590 tons, £P7,224; Sweden 470 tons, £P4,726; Norway 147 tons, £P2,542.

Automobiles.—Total, 3,575 units, £P578,271 (1,969 units, £P370,879): United States 2,836 units, £P458,944; United Kingdom 569 units, £P87,732; Sweden 58 units, £P18,074.

Rubber Tires and Tubes.—Total, 476 tons, £P65,417: United States £P38,333; Italy £P10,463; United Kingdom £P9,847; France £P5,081.

Rubber Boots and Shoes.—Total, £P9,793: Czechoslovakia £P4,186; Japan £P3,118; Poland £P1,489.

Belting for Machinery.—Total, £P16,421: United Kingdom £P5,095; Hungary £P4,110; Austria £P2,484; Germany £P2,425.

TRADE WITH THE UNITED STATES

Imports from the United States were valued at £P1,290,630 in 1934 compared with exports of £P97,895, of which bullion and specie accounted for £P67,227, the actual exports of goods being only £P30,668.

The main imports were automobiles and parts (£P522,513) and rubber tires and tubes (£P38,333), which together represented 43 per cent of the imports from the United States; wheat flour (£P96,882), apples (£P51,303), pears (£P24,337), which, with other foodstuffs, represented altogether a total of £P218,275 or 17 per cent.

The United States has the advantage of direct regular fortnightly steamship service from New York and Boston to Palestinian ports, operating under the American flag.

The customs tariff of Palestine, under the conditions of the League Mandate, contains but a single schedule of duties applicable to all goods whatever their origin.

DEVELOPMENT OF AIR TRANSPORTATION IN GERMANY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, December 13, 1935.—In immediate post-war years the development of air transportation in Germany was faced with numerous obstacles, but conditions were nevertheless such as to give active encouragement to an intensive study of the problems involved. With the virtually complete demilitarization of the country, the development of air services and the growth of an industry concerned with the production of aircraft for commercial purposes alone were free from the influences of previous times and progress was perforce based largely on utility and efficiency.

Despite the effects of generally depressed economic conditions, which have become intensified during the last three years particularly, substantial progress has been achieved and Germany now ranks among the principal countries of the world in which air transportation has become an adjunct to more conventional economic activities.

CONSOLIDATION OF AIR SERVICES

It has been pointed out, in reviews of the development of air transportation in this country, that the high degree of concentration of the country's industries and population in a few districts has militated seriously against the successful and profitable expansion of air services. This has been, to a large extent, overcome by the elimination of non-productive domestic routes, a reduction in the number of commercial air ports and the extension of the system to all the principal European capitals and commercial centres. The consolidation also of the control and operation of all air services in one company, in which, of course, the government is closely interested, has tended towards a maximum in efficiency and flexibility, the latter characteristic, in a new venture particularly, being of no small importance.

COMPETITION WITH RAILWAYS

It is of interest to note the situation in which air transportation in Germany offers direct competition to the services of the state railways, particularly in view of governmental interest in and aid to the newer undertaking. The competition, however, is comparatively unimportant, since, as noted above, the recent tendency has been to restrict short domestic services and to concentrate on the development of international air routes which include, where possible, calls at German air ports.

STATISTICS OF AIR SERVICES

Statistics of the operation of air services in Germany which, as in many other countries, have shown progressive increases, are notable for the particularly

favourable trend in 1934, as compared with the two previous years. Mileage flown is returned as 8,508,000, passengers carried and passengers miles as 164,794 and 36,040,750 respectively, freight and mail traffic as 7,082,333 and 1,676,362 pounds.

In comparison with a moderate increase in total mileage flown, there was substantial improvement during the year not only in volume of traffic in passengers, freight and mails, but particularly in respect to passenger and freight mileage. From this aspect of the question, it is obvious that the utility of the German commercial air fleet has been considerably increased.

COMPARISON WITH THE DOMINION

A comparison of the German and Canadian air services, in so far as traffic is concerned, is of interest and, in view of the circumstances under which each is operated, reflects no small credit on the latter. The total mileage flown by Canadian commercial aeroplanes during 1934 (6,497,637 miles) is considerably below the German total of 8,508,000. In respect to passenger traffic also, the Canadian totals of passengers carried and passenger miles (105,306 and 12,764,112 respectively) were much less than the German figures of 164,794 and 36,040,750.

Freight traffic, however, shows a heavy balance in favour of Canadian services, the total of 14,441,179 pounds being more than twice as large as that shown for the German system which, nevertheless, carried much larger mail cargoes, these totals being Germany 1,676,362 pounds and Canada 625,040 pounds. There should also be considered, in the same regard, the numbers of aircraft operated, but whereas Canadian figures are available, there are no available data as to the establishment comprised in the German system.

TRANSATLANTIC SERVICE

As a complement to her scheme of air transportation, provided by heavier-than-air craft, Germany has operated, since February, 1934, a transatlantic service with the "Graf Zeppelin." It cannot be considered that this service has proved, or was expected to prove, a commercial success. Operating results reflect the unusual conditions under which this service has been carried on. Mileage flown amounted to 406,500, passengers carried 1,052, freight and luggage 4.6 tons, and mail 11.1 tons. There is some doubt at the moment as to whether the Zeppelin service to South America will be maintained.

BELGIAN TRADE IN ELECTRIC HOUSEHOLD APPLIANCES

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Brussels, December 2, 1935.—With the exception of three small hydro-electric power stations and very few private oil or gas engine plants, electricity in Belgium is generated by coal, which of necessity renders the cost of current comparatively high. The distribution of current is undertaken by electric supply companies, over forty in number, and, in the case of certain cities and towns, by the municipal authorities.

No figures are available regarding the number of wired houses, but it is reported that out of 2,670 communes (municipalities) existing in the country, 2,620 are provided with electric current, while the amount of electricity consumed annually for domestic lighting and other household uses is equal to approximately 250,000,000 kw.h. Low-tension supplies are given at single-phase and three-phase, and voltages range from 110 to 130, 180, and 220 A.C., generally 50 cycles, and from 110 to 220 D.C., the commoner ones being 110 D.C. and

220 A.C., with a tendency to adopt the latter and to abandon direct current whenever possible.

The average price of current for domestic lighting and other household uses is 1.90 francs (about \$0.065) per kw.h., except for that consumed by cooking apparatus and water-heating systems, on which a rebate of about 50 per cent is made.

On the whole, the sale of electric household appliances in Belgium is very limited. This may be attributed, in a general way, to the high cost of current, to the diversity of types of currents, and to domestic help being abundant and cheap, the latter factor relieving householders from the necessity of lightening the work of servants by supplying them with labour saving devices.

DISTRIBUTION OF DOMESTIC APPLIANCES

The sale of locally made electric household appliances is rendered complex owing to the fact that the majority of the energy-distributing companies are at the same time actively engaged in the sale of appliances, and, of course, in direct competition with the independent dealers in electrical goods.

These companies, whose primary interest is naturally the sale of current, purchase appliances direct from the manufacturers and sell them, especially in districts where they are anxious to increase their sales of current, at prices which cannot be approached by dealers, while great facilities of payment are granted, the hire-purchase and simple-hire methods being also quite in vogue. Moreover, these power companies are generally rich concerns and can afford to establish elaborate show-rooms in which demonstrations and lectures are regularly given.

It is reported, in connection with electric cookers, that one of the largest power companies has an agreement with an important local manufacturer, by virtue of which the former must buy the whole of its requirements from the latter. The manufacturer, in return, undertakes to finance the advertising campaign of the power company. This arrangement, as far as sales of cookers to this particular power company are concerned, effectively shuts out all competition from other sources. It is quite likely that similar arrangements exist between various other power companies and Belgian manufacturers of electrical appliances.

It is also learned that the commune of Schaerbeek, one of the communes in the Brussels group, has recently opened a well-appointed show-room, entirely under municipal management. The appliances displayed, both domestic and foreign, are lent by manufacturers on a sale-or-return basis, the profits to be shared between the commune and registered electricians residing therein. The experiment is watched with interest.

As for wholesale dealers, they establish list prices which are subject to discounts varying from 20 to 50 per cent, according to the importance of the order, the standing of the customers, and other considerations. Easy-payment terms are the rule.

DISTRIBUTION OF FOREIGN MAKES

French and Danish appliances generally are manufactured in Belgium under licence, and methods of distribution are similar to those adopted by Belgian manufacturers. United States articles are, as a rule, handled by the manufacturers' own organizations established in the country, the principal manufacturers thus represented being the General Motors, the General Electric Company, and the Westinghouse Electric. The other foreign brands are sold through agents, large wholesalers, or the power companies, and consignment shipments, especially in the case of high-priced appliances, are the general practice, while for the less expensive articles payment is at thirty, sixty, or ninety days after receipt of the goods.

SALES POSSIBILITIES

The sales possibilities presented by Belgium for electric household appliances are reviewed below. It is desirable, however, to state right at the outset that, from a Canadian export standpoint, the Belgian market is a difficult one to enter, while concessions, in the shape of consignments or extended payments, are essential to render business possible.

VACUUM CLEANERS

Judging from the number of firms engaged in selling vacuum cleaners in Belgium, and from the unceasing activity displayed by all of them, it would seem that saturation point must shortly be reached. In the opinion of an important electrical dealer, however, this is not the case, and the field is capable of further development. The only way to sell vacuum cleaners in this market is by house-to-house canvassing, with free demonstrations and easy-payment terms, supported by advertising in all its forms, and particularly by participations in commercial fairs, exhibitions, etc.

The principal makes of vacuum cleaners on sale in Belgium are Electrolux (Sweden), Premier and Air-Way (United States), Hoover, Progress Minor, and Mills (United Kingdom), Protos and Vampyr (Germany), Claassen (Switzerland), S.E.V. (France), Nilfisk (Denmark), Riby (Belgium), etc. The Electrolux, Premier, and Hoover appear to be the better known of the vacuum cleaners sold in Belgium.

The Electrolux, established on the market for a good many years, is the best known cleaner in Belgium. In fact, Belgian housewives refer frequently to a vacuum cleaner of whatever make as an Electrolux. The Electrolux concern have three models on the market—a large powerful cleaner costing 2,600 francs retail, a medium-sized one listed at 1,956 francs retail, and a small popular model sold at 1,375 francs retail.

All these cleaners can be equipped with a universal motor operating on both direct and alternating current at various voltages. The advantage of such an apparatus to a householder who moves from one town to another where current and voltages are often different is at once apparent. The Hoover, which was previously imported from Canada, is probably the highest-priced machine on the market. The outlet for such a costly machine is naturally limited, which fact has apparently been realized by the manufacturers, for a smaller and lighter model has now made its appearance on the market.

Of the best sellers among the cheaper makes, the Claassen, costing 690 francs retail, and the Progress Minor, quoted at 650 francs retail, may be mentioned; these are equipped with motors working on specified voltages. The old bag dirt-containers type of vacuum cleaner seems gradually to be giving place to the cylinder type, which is considered in Belgium as more practical.

The Electrolux, Premier, and Hoover vacuum-cleaner manufacturers maintain their own organizations in Brussels; the remaining makes are represented by local agents who are entrusted with consignment stocks, such agents being generally electricians possessing the necessary equipment to carry out repairs and to effect the alterations required by voltage conditions.

Notwithstanding the very keen competition, it is believed that there is a large potential market in Belgium for a low-priced, robust vacuum cleaner, equipped, if possible, with a universal motor.

REFRIGERATORS

Refrigerators, particularly electric refrigerators, are not in common use in Belgium, because the summers are relatively cool and the hot spell is very short.

Again, it has long been the custom for the people to buy food in small quantities only, and so they do not feel the need, at any rate not to the same extent as in Canada, for using refrigerators in their homes. In addition, sales of electric refrigerators, owing to their high cost and to current being expensive, are confined to the wealthier classes, or to cafes, restaurants, and hotels.

There is no local manufacture and the principal imported refrigerators include Electrolux (Sweden), Frigidaire, Westinghouse, General Electric, Kelvinator, Norge, and Sparton (United States), Siemens (Germany), H.M.V. (United Kingdom), and S.E.M. It should be noted that the General Electric Company and the Société Anonyme Siemens manufacture a refrigerator which, although working direct from the main, has neither motor nor compressor. Distinct advantages are claimed for this type of refrigerator, not the least of which is the complete absence of vibration.

With the exception of the Sparton and the Norge, the manufacturers of all the other makes maintain their own organizations in Brussels. A Canadian manufacturer desiring representation in Belgium would necessarily have to consign stocks and undertake a certain amount of advertising. As in the case of vacuum cleaners, it is thought that a small, low-priced kitchen refrigerator, fitted with a universal motor, or, better still, without a motor, would meet with some success.

Refrigerating chambers for butcher shops and other establishments would seem to offer a good outlet. The Frigidaire and Kelvinator systems seem to have a good hold on the market. Chambers are also constructed in Belgium from local material, the refrigerating apparatus being imported.

COOKERS

Until three or four years ago, electric cooking was practically unknown in Belgium, but a determined effort on the part of some of the power-distributing companies to increase their sales of current has led to an extensive campaign being undertaken by these companies in favour of the use of electric cookers, but the degree of success anticipated has not been reached. The almost general practice of using slow-combustion coal ranges for cooking, combined with the deep-rooted and increasing competition from gas ranges, and the relatively high cost of current, are factors that are very much against the development of electric cooker sales.

The principal makes on the market are, in order of importance, the Nestor Martin, Vesta, and S.E.M., which are manufactured in the country. These cookers are entirely of pressed steel, and of pleasing appearance. The general absence of the grill enables three hot plates, invariably solid, to be fitted, and nearly all the models have the tops extended sideways, giving more space for cooking utensils.

A popular Nestor Martin model has three hot plates of 8·7 inches, 7·1 inches, and 5·5 inches, rated at 1,800, 1,200, and 800 watts respectively. The oven space is 31½ inches high by 22 inches wide, with top and bottom elements of 1,200 watts and 1,000 watts. Notable features of the Belgian cookers are the drop-down oven doors, and the absence of plate-racks, of kettle plugs, and of oven thermometers.

The principal imported cookers seen on the market are from Germany and Switzerland, but sales are very limited. United States and United Kingdom cookers are also seen occasionally. The great hindrance to the development of sales of foreign cookers in Belgium resides, as already reported, in the arrangements existing between some of the largest power companies and domestic manufacturers, coupled with higher prices.

TOASTERS AND HOT PLATES

Toasters are in general use; local competition is very strong. Germany seems to be the only country in a position to compete with the locally manufactured article.

There is very little demand for electric hot plates. Those already existing on the market are of local or German manufacture and are generally of the solid or metal-clad burner type of from one to three heats. Hot plates on the accumulated heat principle, thus obviating the necessity of a cord when the apparatus is on the table, have made an appearance and are well liked.

WATER HEATERS

Constructed on the accumulated heat principle, and of capacities ranging from 5 to 200 litres and more, electric water heaters for bath-rooms, kitchens, wash-houses, laboratories, etc., are much in evidence in the electrical show-rooms. Several Belgian plants manufacture these, and the bulk of the trade is in their hands. German electric water heaters are the only foreign ones on sale, and sales are not great. The adoption of electric water heaters is by no means general; gas or coal water heaters are still the general rule.

IRONS

From a sales point of view, irons represent the most interesting line in the whole range of electrical appliances, but, at the same time, it is the one subject to the keenest competition. Belgian-manufactured irons predominate. In fact, Germany seems to be the only country in a position to meet the domestic competition.

The characteristics of the irons sold in Belgium are much the same as those of Canadian irons—i.e., weights of from approximately 2 to 5 $\frac{3}{4}$ pounds, heel-stands and thumb-rests (the latter feature is essential), black and coloured handles, nickel and chromeplate finish.

Irons entirely enamelled in red, green, blue, or yellow exist but are not very popular. Thermostatically controlled irons are also on the market. Electric irons are popular and are becoming increasingly so. The whole question, however, is one of price, and up to the present Canadian irons have always been found too expensive for this market.

HEATING CUSHIONS

Wired cushions, carefully insulated, are beginning to be appreciated. They find their use in cases of certain ailments, especially rheumatism, where continuous soft heat relieves pain. Belgium and Germany are the chief suppliers.

WASHING MACHINES

There are over fifty firms in Belgium engaged in the manufacture of electric washing machines. The type of machine produced is inferior to Canadian and American machines, but prices are much lower. This situation is further affected by the increasing popularity of public washing houses, of which there are over 150 in existence already. These wash houses are equipped with up-to-date electrical machinery.

As it is the custom in Belgium to boil the clothes, 90 per cent of the locally made machines are equipped with an under-boiler fire-grate to burn coal or wood, or with a gas ring. Centrifugal hydro-extractors (dehydrators) are much preferred to wringers, either of wood or metal. As imported machines, as a rule,

have neither of these features, they are not favoured by Belgian housewives, quite apart from the question of price.

Imported washers comprise the General Electric and Easy (United States), Electrolux (Sweden), and Miele and Cordes (Germany); sales are small. The retail prices of imported machines range from 3,000 to 6,000 francs, as against 550 to 2,000 francs for Belgian machines. No volume business can be developed in high-priced washers.

FLOOR POLISHERS

The principal makes sold in Belgium are Electrolux (Sweden), A.E.G. and Protos (Germany), Nilfisk (Denmark), and Premier (United States).

The combined vacuum cleaner and floor polisher does not appear to be yet much in demand.

RADIATORS

As a means of integral heating, electric radiators are never used in Belgium, the cost of the current being prohibitive and the use of anthracite stoves far too general. For between-season use, or as additional heat where required, there is a certain demand, but unless advantage is taken of the reduced tariff, the high cost of the current renders the use of radiators uneconomical. The Belgian firm of Nestor Martin has recently entered this field and has produced some radiators of attractive design at fairly reasonable prices. Germany is a serious competitor, and perhaps the only one. American radiators are on the market, but prices are prohibitive and sales are believed to be negligible.

MISCELLANEOUS

Electrical machines for peeling potatoes, cutting up meat, grinding coffee, slicing bread, and for the filtering of soups and purees, etc., generally find an outlet only in hotels and large institutions. One Brussels firm specializes in the manufacture of machines of this description and secures most of the business that is to be obtained.

Sales of electric household appliances have not as yet reached a high stage of development in Belgium. Except for refrigerators, all the appliances in demand are manufactured locally; they are not always good in construction, but prices are low. Broadly speaking, competition from foreign countries is difficult. An added hindrance to Canadian trade is the extra sales tax levied on the Dominion's appliances.

FOREIGN TRADE OF ROUMANIA

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

Cairo, November 25, 1935.—The final trade returns of Roumania for 1934 show a considerable increase in the value of imports during that year compared with 1933 with 13,209,180,000 lei and 11,741,850,000 lei respectively.

Exports, in conformity with the downward trend since 1929, decreased from 14,170,833,000 lei in 1933 to 13,655,734,000 lei in 1934. The favourable balance of trade was thus reduced from 2,429 million lei in 1933 to 447 million lei in 1934.

Expressed in United States currency at an average rate of exchange for the year of 109 lei per dollar, imports in 1934 represented \$121,280,000 and exports \$125,300,000.

IMPORTS AND EXPORTS

The foreign trade of Roumania since 1929 is recapitulated in the following table:—

Year	Imports	Exports (In 1,000 Lei)	Balance
1929	29,397,216	28,947,619	— 449,597
1930	22,540,929	28,525,585	+ 5,984,656
1931	15,755,005	22,196,818	+ 6,441,813
1932	12,011,377	16,723,152	+ 4,711,775
1933	11,741,850	14,170,833	+ 2,428,983
1934	13,655,734	13,209,180	+ 446,554

In connection with the above table it may be noted that the peak year for Roumania's foreign trade was 1926, imports and exports in that year being respectively 34,135 million and 38,223 million lei, the balance being favourable by 4,088 million lei.

Roumanian trade, therefore, had begun to decline several years before the world economic crisis set in, owing to the failure of the 1927 and 1928 harvests. The latter year was one of great economic and financial difficulties, trade being very depressed. In 1929 and 1930 the harvests were good, but Roumania found itself face to face with the problem of falling prices for all its staple products, and by 1931 depression had definitely settled upon the trade of the country due to adverse conditions the world over.

EXPORTS

As will be seen from the following table, Roumania's exports are mainly petroleum, cereals, lumber, and live stock.

Commodity	1933		1934	
	Tons	1,000 Lei*	Tons	1,000 Lei†
Petroleum—				
Gasolene	1,757,200	3,817,332	1,957,692	3,288,876
Kerosene	940,796	1,278,348	1,085,436	1,169,364
Gas oil	1,040,700	1,270,500	1,096,236	1,093,524
Fuel oil	1,791,240	964,680	2,020,764	1,153,728
Lubricating oil	59,364	178,128	61,992	163,908
Cereals—				
Maize	1,071,936	1,876,056	530,544	1,120,580
Barley	621,672	968,136	333,480	764,256
Oats	35,436	32,844	408	684
Wheat	6,156	22,716	276	1,076
Lumber—				
Fuel wood	87,840	36,192	136,944	57,936
Hard woods	68,264	141,924	80,676	182,496
Resinous woods	455,816	735,012	600,492	1,098,312
Live Animals—				
Bovines (head)	15,396	94,620	45,862	259,096
Hogs (head)	104,700	232,920	71,220	192,888

* 116 lei per dollar. † 109 lei per dollar.

For each of the above-mentioned groups, the values of the 1934 exports were: petroleum products, 6,869 million lei; cereals, 1,887 million lei; lumber, 1,339 million lei; and live animals, 452 million lei, giving a total of 10,547 million lei, which is 80 per cent of Roumania's total exports of all kinds.

Wheat.—In 1931 Roumania's exports of this cereal totalled 1,076,124 metric tons valued at 2,916 million lei. This compares with only 6,156 tons and 22.7 million lei in 1934. The wheat crop of 1933, which amounted to 3,240,600 metric tons, dropped to 2,140,000 tons in 1934, and this reduction having been foreseen, the Government temporarily suspended exports last year with a view to making sure that local requirements would be filled. At the same time prices in the home market were kept up through the action of the Wheat Board.

As agriculture accounts for about 80 per cent of the income of the people (the present population is over 18,000,000), it may be realized to what extent Roumania has been affected by the poor crops and falling prices experienced in recent years.

Prospects for the 1935 wheat crop are favourable, and the Government is continuing its efforts to maintain prices at a high level on the local market while offering every inducement to exporters.

IMPORTS

The rise in imports during 1934 is due largely to the improvement in local industry. The index of industrial production in December, 1934, was 140 as compared with 141.5 in June, 1934; 115.2 in December, 1933; and 101.1 in December, 1932.

The increase in last year's imports is due to larger purchases of raw materials, machinery, and metallurgical products.

There is an element of danger in these increased imports inasmuch as the favourable balance of trade has been decreasing during the last three years, and this may be prejudicial to Roumania's balance of international payments, particularly at a time when transfer difficulties have become permanent.

TRADE BY COUNTRIES

Great Britain was the leading source of imports into Roumania in 1934, wresting first place from Germany, which had for a number of years been leading by a large margin. In 1931, in fact, the value of Roumania's imports from Germany was over three times as great as those from the United Kingdom.

As regards exports, Germany was the chief market last year, with Great Britain second, closely followed by France.

Imports and Exports

The following table shows the principal countries trading with Roumania in 1934:—

From	Imports Million Lei	To	Exports Million Lei
Great Britain.. . . .	2,146.4	Germany	2,264.0
Germany.. . . .	2,047.1	Great Britain.. . . .	1,367.0
France	1,464.2	France	1,322.2
Czechoslovakia	1,312.1	Austria.. . . .	1,242.6
Austria.. . . .	1,302.7	Italy.. . . .	1,057.4
Italy.. . . .	969.0	Hungary.. . . .	750.4
Belgium.. . . .	685.1	Czechoslovakia	741.1
United States.. . . .	550.9	Egypt	700.0
Hungary.. . . .	538.6	Holland	659.1
Holland	439.7	Greece	501.7
Switzerland	430.5	Belgium.. . . .	337.9
Poland	428.7	Poland	204.2

Roumania's balance of trade in 1934 was unfavourable with the following countries: Czechoslovakia (by 571 million lei), United States (by 533.8 millions), Belgium (by 347.2 millions), Poland (by 224.5 millions), Switzerland (by 232.5 millions), France (by 142 millions), and Austria (by 60.1 millions).

At the beginning of 1935 the Roumanian Government notified several countries, including the United States, Japan, and Norway, that no import permits would be delivered for goods from these countries until such time as they had signed a commercial agreement with Roumania.

It is noted that the value of imports from the United States during the first seven months of 1935 has dropped to 170.1 million lei compared with 296.6 millions for the corresponding period last year. For the same period in 1935 the value of imports from Germany was double that of imports from Great Britain. This shows the unsettled condition of the Roumanian markets.

According to Canadian figures, Canada's exports to Roumania during the fiscal year ended March 31, 1935, totalled \$151,582, the main items being automobiles (\$75,251) and rubber tires (\$64,757). Imports from Roumania totalled \$5,396.

MARKET FOR BINDER TWINE IN CHILE

R. W. McBurney, ASSISTANT TRADE COMMISSIONER

Lima, December 1, 1935.—A direct result of the financial crisis suffered by Chile in 1933 was the development of a national binder-twine industry, utilizing nationally produced hemp as the primary material. Exchange difficulties and high import duties made the cost of imported twine prohibitive. The growth of this industry has seriously restricted the market for imported binder twine.

Chilean statistics unfortunately do not specifically list imports of binder twine, so that an accurate estimate of such imports is not available. It has been learned from the trade, however, that the Netherlands at one time held the major share of the import market, prices being low and quality good in comparison with competitive quotations from the United Kingdom and the United States. Recently no quotations have been received from Netherlands shippers.

PRICES

Binder twine for the Chilean market must be priced to compete with current quotations for the local product. Quality counts for very little on this market; the national product is reputedly low-grade, but so long as it stands up to the knoter and will hold sheaves until threshed, it is considered satisfactory. Quotations are regularly based on units of 46 kilos.

Recent quotations were 300 pesos per 46 kilos or, at the rate of exchange prevailing at that time, \$15.48 Canadian per cwt. Terms to farmers are normally 90 days. A prominent member of the trade states that against this price a current quotation from the United Kingdom of 31s. 3d. per cwt. on twine of very good quality, running 500 feet per pound, was found to be too high to be competitive, quotations being based c.i.f. Valparaíso, Talcahuano or Corral.

PACKING

Binder twine for the Chilean market is ordinarily supplied in spools of approximately 8 pounds weight, or 12 spools per 100 pounds, nominal. Shipments should be packed in bales of six spools each, bales to be wrapped in Hessian sacking. This packing is preferred as affording better stowage, and also because small farmers prefer to buy in 50-pound units.

CUSTOMS DUTIES

These are levied in terms of gold, and converted into Chilean currency on the basis of a surcharge of 300 per cent. The duty is accordingly 75 centavos gold or 3 paper pesos per kilo. To this must be added about another 30 centavos for various small charges. Consular charges form an additional item. These are no longer charged up on the bill of lading at the port of origin but are collected in the Customs House in Chile on the basis of $3\frac{1}{2}$ per cent on the value of the goods.

CHILEAN COPPER INDUSTRY

In the December *Review* of the Bank of London and South America a report from Valparaíso deals with the mining activities in Chile. From this it appears that the average number of labourers employed in the Chilean industry rose from 7,522 during the first eight months of 1933 to 11,451 during the first eight months of 1934, and to 14,225 during the first eight months of 1935. Production rose from 148,731 tons during the first eight months of last year to 187,238 tons during the corresponding period of this year, while exports went up from 148,663 tons to 189,469 tons.

ALUMINIUM SITUATION IN JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1933 was 28 cents; in 1934, 30 cents; and for the first nine months of 1935 approximately 29½ cents Canadian funds. One hundred kin equals 132½ pounds.)

Tokyo, November 27, 1935.—In a report published in *Commercial Intelligence Journal* No. 1602 (October 13, 1934) it was stated that the authorities in Japan were averse to imposing a high import tariff on foreign supplies of aluminium because of the adverse effect it would have upon the domestic industry—in view of its dependence upon the imported product—and the adverse effect on exports of aluminium products made from imported materials.

JAPAN ELECTRIC INDUSTRY COMPANY

In the report referred to above the experimental work and development of the aluminium industry were outlined. The industry has now passed the experimental stage, as the annual production capacity of the Japan Electric Industry Company, the first to produce aluminium, is now almost 5,000 tons, and provision is being made for a larger supply. Its daily capacity, which last year stood at about 10 metric tons, is being increased by an additional plant.

The company therefore expects that by the end of the year, when the new plant will be completed, it will have an electrolytic aluminium production capacity of some 20 metric tons a day. Because of the technical difficulties incidental to the production of aluminium—i.e. quality of ores, process of operation, etc.—the output in 1934 was small in comparison with the potential capacity.

OTHER PRODUCING COMPANIES

Apart from the above company, which is producing on a commercial scale, the Sumitomo Metal Industry Company, operating a plant in Osaka, had an output of 1,500 tons of aluminium during 1934.

In the face of a consumption which runs to 11,000 tons a year, the local production of under 5,000 tons is still inadequate to take care of the demand.

The Japan Aluminium Company—a firm which has been developing a plant in Formosa and in which great hopes are centred for production from bauxite from the Netherlands East Indies (Island of Bintan)—has not yet been able to operate on a commercial scale. This company is to use the surplus electric power produced by the Taiwan Electric Power Company (of Formosa), and this is expected to contribute to its ultimate success.

Another aluminium project, the Japan-Manchukuo Aluminium Company, is still operating on an experimental basis. A great many difficulties have been encountered with regard to raw materials and patent rights for a manufacturing process to produce aluminium from Manchurian clay, the latter being in the hands of the South Manchuria Railway.

Should this firm be forced to change its plans of production from clay to bauxite, as present tendencies seem to indicate, some time may elapse before it can operate on a commercial basis, especially when one considers the difficulty of obtaining raw materials of the proper quality.

PROPOSED TARIFF INCREASE

Owing to the development of these projects, the Ministry of Commerce and Industry, with the view of encouraging self-sufficiency in production, has decided

to reintroduce a bill at the coming session of the Imperial Diet (opening on December 24, 1935), increasing the import duty on aluminium from the present rate of 75 yen per metric ton to a rate of 300 to 400 yen per metric ton.

A bill on the same lines was introduced last year and shelved because of the inadequacy (in regard to both quality and quantity) of home production to meet requirements. Demand has increased, owing in part to greater activity in the war supply industries as the following figures of imports show:—

IMPORTS OF ALUMINIUM INTO JAPAN

	Quantity		Per Cent Inc. or Dec.	Value		Per Cent Inc. or Dec.
	1933 Cwts.	1934 Cwts.		1933 Yen	1934 Yen	
Total	79,338	117,514	+ 48.1	5,806,889	7,431,016	+ 28.0
Canada	35,008	69,377	+ 98.2	2,483,219	4,025,991	+ 62.1
France	4,141	11,164	+169.6	354,677	775,876	+118.8
Norway	2,967	10,940	+268.7	219,543	861,053	+292.2
Switzerland	12,964	8,472	- 34.7	1,026,564	555,024	- 45.9
Austria . . . . .	.....	7,488	.....	.....	520,473	.....
Germany	13,738	5,650	- 58.9	974,778	364,847	- 62.6
Great Britain . . .	7,644	1,841	- 75.9	557,398	140,762	- 74.7
Australia	412	1,723	+318.2	25,513	121,460	+376.1
Italy	121	733	+505.8	9,170	59,430	+548.1

Aluminium ingots, slabs and grains come chiefly from Canada, Norway, France, and Switzerland. Half of the total imports come from Canada. Imports for 1934, as compared with those for 1933, increased by 48.1 per cent in quantity and 28 per cent in value and amounted to 117,514 cwts. valued at 7,431,016 yen. This increase was principally credited to Canada, France, and Norway.

Ingots, Slabs and Grains—January to September, 1934 and 1935

	Quantity		Per Cent Inc. or Dec.	Value		Per Cent Inc. or Dec.
	Jan.-Sept., 1934 Cwts.	Jan.-Sept., 1935 Cwts.		Jan.-Sept., 1934 Yen	Jan.-Sept., 1935 Yen	
Total	70,302	171,584	+144.1	4,470,392	11,537,631	+158.1
Canada	36,420	78,207	+120.2	2,178,610	4,854,644	+122.8
Norway	7,288	33,348	+357.6	554,676	2,527,709	+355.7
Switzerland	5,642	26,602	+371.5	361,216	1,825,380	+405.3
Great Britain . . .	829	6,744	+713.5	63,337	444,120	+601.2
France	8,386	6,207	- 26.0	519,073	510,234	- 1.7
Germany	4,377	3,717	- 15.1	271,373	252,758	- 6.9

Imports of aluminium grains, slabs and ingots for the first nine months of 1935, as compared with the similar period of 1934, showed an increase of 144.1 per cent in quantity and 158.1 per cent in value. The total importation of aluminium for the three-quarter period amounted to 171,584 cwts. valued at 11,537,631 yen as against 70,302 cwts. valued at 4,470,392 yen for the same period of the previous year and as against 117,514 cwts. valued at 7,431,016 yen for the whole year of 1934. The total imports for this year will therefore more than double those of the past year,

Imports of aluminium other than aluminium ingots, slabs and grains for 1934, as compared with the previous year, showed an increase of 33.1 per cent in quantity and 16.2 per cent in value. This increase was entirely credited to the United States and British India, while other countries declined. Commodities under this heading are not classified, but it may be safe to say that scrap aluminium covers almost entirely the total imports of aluminium other than ingots, slabs and grains.

Imports of Aluminium (Other)

	Quantity			Value		
	1933	1934	Per Cent	1933	1934	Per Cent
	Cwts.	Cwts.	Inc. or Dec.	Yen	Yen	Inc. or Dec.
Total	79,914	106,354	+ 33.1	4,426,218	5,145,352	+ 16.2
United States . .	40,568	86,650	+113.6	2,120,296	4,145,662	+ 95.5
British India . .	28	10,631	+38 times	1,346	494,479	+37 times
Great Britain . .	17,318	2,540	— 83.5	1,065,185	148,868	— 86.0
Germany	13,515	1,938	— 85.7	831,907	134,387	— 83.2
China	4,034	2,084	— 48.3	166,054	102,680	— 38.2

Although a remarkable increase is shown in imports of aluminium ingots, slabs and grains for the first nine months of 1935, as compared with the similar period of 1934, imports of other aluminium for the same period declined by 24.7 per cent in quantity and 23.1 per cent in value as the following shows:—

	Cwts.	Yen
January-September, 1934	72,609	3,548,472
January-September, 1935	54,666	2,730,150

ALUMINIUM MANUFACTURES: KITCHEN UTENSILS

Because of its importance in war-supply industries and in the manufacture of kitchen utensils, the production of aluminium shows an annual increase. Aluminium utensils are steadily replacing those of iron, and recent annual production of these articles was valued at over 10,000,000 yen. Other manufactures also amount up to well over 10,000,000 yen a year, as shown in the following table:—

Production of Aluminium Manufactures

	Quantity			Value		
	1932	1933	Per Cent	1932	1933	Per Cent
	Cwts.	Cwts.	Inc. or Dec.	Yen	Yen	Inc. or Dec.
Total	204,214	201,523	— 1.3	12,641,732	14,471,412	+ 14.5
Plates and sheets	171,290	157,507	— 8.0	10,721,051	11,767,993	+ 9.8
Wires	3,426	2,849	— 16.8	210,394	208,541	— 0.9
Pipes and tubes	382	1,593	+317.0	49,110	166,002	+238.0
Bars and rods..	876	906	+ 3.4	74,359	80,431	+ 8.2

Production of aluminium utensils was valued in 1931 at 7,010,022 yen, in 1932 at 7,964,418 yen, and in 1933 at 10,752,318 yen. As the demand for these has increased, defects in them, such as the tendency to corrode, have been overcome. The Scientific Institute of Japan has perfected a process for preventing aluminium kitchen utensils from corroding. This consists in the application of certain chemicals electrolytically to the utensil, after undergoing which they have a dark greenish-brown colour. The trade name for them is "Almite." Although a little higher in price, these are said to be more durable than ordinary aluminium kitchen utensils, as they are corrosion-proof.

ALUMINIUM FOIL

The aluminium foil manufacturing industry of Japan has developed greatly within recent years. It is still carried on by small-scale operators, seven in number, but the recent remarkable increase in the demand for packing, decoration, and pyrotechnical purposes is attracting the attention of large companies, who are likely to undertake production.

Imports of aluminium foil showed a remarkable increase after the World War; but in the process of promoting home industries, the Japanese Government encouraged this one by granting subsidies, and now the domestic product is said to compare favourably with those of foreign make. The value of annual production of this commodity is estimated at 1,300,000 yen in 1931, 1,800,000 yen in 1932, 2,200,000 yen in 1933, and 3,000,000 yen in 1934.

Imports of aluminium foil, which come mainly from Germany, have shown a steady decrease in value—339,000 yen in 1931, 336,000 yen in 1932, 200,000 yen in 1933, and 165,000 yen in 1934.

Owing to a low rate of exchange and the low prices quoted, exports of aluminium foil to Manchuria, to British India, and to the Malay States are increasing steadily to the point of displacing the European product and controlling those markets altogether.

EXPORTS

Exports of aluminium manufactures are chiefly to Asiatic countries. Aluminium utensils are exported principally to the Dutch East Indies, Manchuria, China, and British India, and aluminium plates and sheets principally to British India, which takes about 80 per cent of the total.

	1933	1934	Per Cent Inc. or Dec.
Aluminium sheets and platesCwts.	5,277	7,647	+44.9
Yen	376,482	534,154	+42.7
Aluminium utensilsYen	1,120,966	1,894,860	+69.0

Although exports of aluminium plates and sheets have increased by over 200 per cent, those of aluminium utensils have declined by 4.3 per cent during the three-quarter period (January-September) of this year as compared with the similar period of last year. Although no countries of destination are available, it is believed that the decline referred to may be attributed to reduced shipments to the Dutch East Indies. Exports in the January-September periods of 1934 and 1935 were:—

	1934	1935	Per Cent Inc. or Dec.
Aluminium plates and sheetsCwts.	6,093	18,749	+207.7
Yen	426,253	1,384,258	+224.7
Aluminium utensilsYen	1,317,728	1,261,778	— 4.3

The production of aluminium in Japan is still insufficient to meet the growing demand. A number of projects are in course of development, but the quality of production still falls below the grade of purity of the imports on which the trade is still dependent.

BOLIVIAN EXCHANGE CONTROL

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, November 20, 1935.—In view of the uncertainty in the minds of certain Canadian exporters to Bolivia, it may be well at this point to briefly summarize the history of exchange control in Bolivia since its inception in May, 1932.

CENTRAL CONTROL BOARD

Under date May 19, 1932, a decree was passed whereby all purchases and sales of drafts and of gold were concentrated in the hands of the Central Bank of Bolivia and for this purpose an Exchange Control Board was created. The law as then passed, which had a tenure of life of two years, required that a minimum of 65 per cent of the foreign exchange received from exports by exporters be turned over to the Central Bank, and that all other persons having foreign exchange in their possession were to deposit it in entirety at the same bank.

Varying with the commodity concerned, a proportion of the foreign currency proceeds of exports must be turned over to the Banco Central de Bolivia at the official rate. Drafts pertaining to them must be surrendered within fifteen days of the receipt of the export authority.

PREFERENCE ON PAYMENT OF NECESSITIES

The Exchange Control Board gives preference to applications of exchange in payment of necessities when granting an allotment to importers. The Banco Central de Bolivia (Central Bank of Bolivia) is empowered to fix the official exchange rate, and the boliviano is linked to the English pound sterling on the official basis of £1 equals Bs.20.

CONDITIONS AFFECTING PAYMENT FOR EXPORTS

By virtue of a decree passed under date of November 5, 1934, it was provided that 5 per cent of the foreign currency accruing from the export of commodities other than gold or tin was to be surrendered to the authorities at the official rate. Exporters of certain commodities (copper, silver, bismuth, wolfram, lead, zinc and its concentrates, oxides, coffee, cocoa, quina, hides, and wool) were obliged to dispose of a proportion, which varied with the respective commodity, of the remaining 95 per cent to importers at a rate which was to be freely determined.

In the case of direct exports by producers of tin, the proportion to be surrendered was determined at 52 per cent, while in the case of exports by brokers the proportion was named at 58 per cent. Foreign exchange accruing from the balance of exports as well as foreign currency obtained from other sources was decontrolled.

CONTROL AFFECTING IMPORTS

By this same decree foreign drafts at the official rate could only be made by the authorities in payment for government purposes, imports deemed to be of prime necessity, and students' allowances. Goods imported into the country for payment of which official exchange has been granted have their selling prices rigidly controlled.

PROHIBITION OF IMPORTS OF LUXURIES

A decree of January 20, 1935, prohibited the import of luxuries. However, by a further decree of January 24, 1935, the partial free market authorized by the decree of November 5, 1934, was abolished and rigid exchange control was restored. Exchange of two types was introduced, namely an "official exchange" and an "export exchange." The former continued its link with the pound sterling on the basis of £1 equals Bs.20·26.

In the case of the "export exchange" market the Banco Central de Bolivia, acting in conjunction with governmental authorities, was given the power of determining the rate, but in no case was this to exceed £1 equals Bs.80.

RATIO OF EXPORT BILLS

It was further determined that the ratio of export bills which exporters are compelled to surrender at the official rate was to be continued to be allocated primarily for Government requirements; and secondly, for the payment of imports of prime necessity, machinery absolutely necessary for already established local industries, funds for the maintenance of students abroad, and those to reimburse the Banco Central de Bolivia for any advances it had made or might make by authority of the Control Commission.

Any export bills remaining which had been sold at the special export rate were to be placed under the control of the Control Commission, who were empowered to allot them on an equitable basis for meeting the requirements of commerce, industry, and the general public. However, the Control Commission is not permitted to allot export exchange for the payment of superfluous and luxury goods or on behalf of persons not permanently engaged in industry.

GENERAL BOARD OF NATIONAL CONSUMPTION

A decree of January 20, 1935, created a General Board of National Consumption and no imports may be effected without the prior sanction of this board.

Reference is here made to *Commercial Intelligence Journal* No. 1624 (March 16, 1935), in which will be found details concerning the import control of Bolivia as outlined under the decree which created the aforementioned board.

TRADE OF NETHERLANDS INDIA IN 1934

R. P. BOWER, ACTING TRADE COMMISSIONER

(The guilder is taken at 67 cents Canadian, the approximate value for the year 1934)

Batavia, Java, November 12, 1935.—The total value of Netherlands Indian trade for 1934 was only 21 per cent of that for 1929, and this was the fifth consecutive year to show a decrease. An increase of \$10,600,000 in the value of exports was counterbalanced by a decrease of \$20,150,000 in the value of imports. The quantity of exports increased more than in proportion to the value, indicating the general fall of export prices.

There were some substantial import increases, particularly in the Outer Islands, of such items as steam engines, turbines, electric motors, pumps, mill machinery, agricultural equipment and tools, but these increases were more than offset by decreases in the imports of foodstuffs, particularly rice and soya beans. Decreased imports should be examined in the light of the restrictive measures which have had an unnatural effect on trade. The following table shows the total trade of Netherlands India for the last five years and 1922:—

	1922	1930	1931	1932	1933	1934
	Figures in Millions of Guilders					
Imports..	783	863	565	369	318	286
Exports..	1,149	1,157	747	541	468	487
Total trade	1,932	2,020	1,312	910	786	773
Excess of exports .. .	366	294	182	172	150	201
Percentage of imports to exports	68.1	74.5	75.8	68.0	67.9	58.7

Although both Java and Madura, and the Outer Islands, contributed to the favourable balance of trade, the bulk of the credit goes to the Outer Islands. Java requires heavy imports to supply the teeming population, while Sumatra, Borneo, the Celebes, etc., though sparsely populated, provide the greater part of the exports. Invisible imports are extensive, and if taken into account would reduce the favourable balance considerably. These invisible imports include insurance premiums, shipping services, and pension payments to retired employees living abroad.

IMPORTS

Total imports at \$190,000,000 were \$22,000,000 less than in 1933. For the third consecutive year Japan was the leading supplier, and although quantita-

tively imports from that country fell off, the percentage of the total rose from 31.03 to 32.47 per cent. In Canadian dollars these percentages were worth \$65,800,000 in 1933 and \$62,000,000 in 1934.

PRINCIPAL SOURCES OF SUPPLY

Japan maintained her position through her dominance in the textile trade, as shown by the percentages: printed cotton, 97; unbleached cotton, 95; dyed cotton, 93; coloured woven fabrics, 87; other woven fabrics, 78; and bleached cotton, 70. Japan also led as a supplier of certain types of aluminium and ironware, iron pipes and wire, enamelled-ware, glassware, certain chemicals, mushrooms, shellfish, and sardines.

Holland was the second largest supplier with \$25,300,000 compared with \$26,200,000 in 1933. In percentages of total imports, these were 13.96 and 12.3 per cent respectively. Holland was the principal supplier of machines, paper, certain chemicals, fertilizer, beer, milk, electric lamps, and railroad equipment. Singapore holds third place, but the greater part of the imports from that port are of foreign origin.

The United Kingdom retained her position in fourth place, although her share fell from \$20,400,000 to \$15,700,000 and her percentage of the total trade from 9.6 to 8.2, leading in cigarettes, tobacco, tin and tinwork, and soap. The United States was credited with \$11,800,000 compared with \$10,370,000, leading in automobiles and parts, mineral oils, and rosins. Although Australia increased her percentage of the total from 3.17 to 3.34, the dollar volume declined from \$6,700,000 to \$6,380,000: the principal items are foodstuffs, flour, and coal.

The United States, Switzerland, and Canada were the only countries to increase the absolute value of their shipments in 1934 compared with 1933. Imports from the Dominion were valued at \$1,000,000 compared with \$969,000 in 1933. Increased purchases from Canada were made in flour, sauces, fresh and frozen fish, sulphate of ammonia, pulp, newsprint, trucks, automobile chassis, and engines and accessories. Decreases occurred in canned milk, salmon, fresh apples, manufactures of cotton, and rubber tires and belting.

The following table shows the changes of the sources of supply for Netherlands India in the years 1932, 1933, and 1934:—

Imports into Netherlands India by Countries

	1932		1933		1934	
	Million Guilders	Per Cent	Million Guilders	Per Cent	Million Guilders	Per Cent
Holland.	58.13	15.76	39.35	12.37	37.95	13.96
Japan (incl. Formosa)	78.44	21.26	98.72	31.03	92.92	32.47
Singapore	46.24	10.94	34.46	10.83	32.41	11.31
Germany	28.39	7.69	24.26	7.63	21.26	7.04
United States	24.60	6.67	15.56	4.89	17.67	6.11
Great Britain	35.47	9.61	30.64	9.63	23.57	8.24
India	17.32	4.70	11.14	3.50	7.88	2.75
Australia	12.12	3.29	10.10	3.17	9.57	3.34
China	6.02	1.63	6.62	2.08	6.68	2.33
Siam	8.05	2.18	3.12	0.98	1.64	0.57
French Indo-China	5.67	1.54	3.70	1.16	1.42	0.48
Hongkong	7.77	2.11	6.04	1.90	4.86	1.68
Penang	7.19	1.95	4.68	1.47	4.19	1.46
Belgium	5.74	1.56	5.50	1.73	3.95	1.38
Dalny, Korea, Vladivostock	4.16	1.13	3.20	1.01	1.68	0.59
Italy	3.93	1.07	2.52	0.79	1.83	0.64
France	3.68	1.00	3.28	1.03	2.68	0.94
Sweden	3.72	1.01	2.35	0.74	1.80	0.63
Switzerland	3.19	0.86	2.28	0.72	1.62	0.57
Canada	0.94	0.26	1.45	0.46	1.47	0.51
All other countries	8.15	2.19	4.81	1.50	9.11	3.18
	368.92	100.00	318.14	100.00	286.16	100.00

NOTES ON IMPORTS INTO JAVA AND MADURA

At the present time detailed statistics covering the imports of the Outer Islands are not available. Since Java and Madura are typical of the whole, imports into these islands give an accurate picture of the actual situation.

IMPORTS FROM CANADA

Sales of Canadian flour to Netherlands India, totalling 1,347 tons (\$51,625), were larger than ever before. The Dominion occupies third place, Australia being first and Singapore second. All the flour credited to Singapore, nominally the second source of supply, is of foreign origin. The consumption of wheat flour in Netherlands India has been increasing. In 1933, 94 per cent of the flour business was Australian; in 1934 it was 92 per cent. For the same periods Canada's share was 1.4 per cent and 1.7 per cent respectively.

The principal type of concentrated milk shipped by Canada to this territory is unsweetened condensed, which variety has been losing favour. As a result, Canada's share in the total imports of concentrated milks has decreased.

Imports of fresh and frozen fish at 11 tons have increased by 75 per cent.

Frozen salmon comes almost entirely from the Pacific Coast of Canada, and though a luxury its use is steadily increasing. There has been a steady decline in the total imports of canned salmon as the native taste has swung to sardines and pilchards. The United States is the principal source of supply.

Although Canadian apple shipments in 1933 were 50 per cent above those of 1932, the figures for 1934 show a reverse trend. A total of 10 tons was brought in valued at slightly more than \$1,000. (West Coast shippers find it impossible to obtain space on refrigerated vessels during the shipping season.)

Imports of sulphate of ammonia from Canada amounted to 4,698 tons (\$163,500) compared with 3,000 tons (\$115,673) in 1933. Fertilizer comes principally from Germany, followed by Holland, Canada, the United Kingdom, and Manchuria. The largest percentage increase recorded by any Canadian product was that in newsprint, imports of which rose from 316 tons (\$16,000) to 1,295 tons (\$80,750). Canada was the leading supplier with 27 per cent of the total. Canadian newsprint is favoured because it is stronger than competing European sheets—an important factor when nearly all the printing presses in this country are not of recent design. Imports of pulp for local paper manufacture increased from 120 tons (\$8,541) to 168 tons (\$8,610).

Imports of passenger cars, trucks, chassis, and motor car accessories have been at low ebb ever since the depression, but in 1934 a noticeable improvement took place, due to restriction of purchases since 1929. Imports of passenger cars from Canada totalled 336 units (\$302,000) compared with 402 units (\$392,000) in 1933. This unfavourable trend was caused by one of the principal Canadian factories restricting exports for the greater part of 1934. The United States was credited with 879 units, and the United Kingdom with 310 units (405 in 1933). In addition to private cars, Netherlands India imported 211 Canadian chassis (\$171,000) and 33 trucks (\$30,000) compared with 81 chassis (\$66,000) and 24 trucks (\$22,000) in 1933.

Imports of Canadian-made outer tires remained constant at 11,000 units (\$123,000). The total imports amounted to 159,000 (\$1,475,000). While the number of inner tubes increased from 5,900 to 10,000, the value fell from \$16,000 to \$14,000. The leading suppliers of outer tubes to Java, in the order of their importance in 1934, were the United States, Japan, Italy, the United Kingdom, Germany, and Canada. Shipments of rubber gloves and belting, etc., were fairly well maintained.

The following commodities, with quantities and value in each case, appear in the statistics of Netherlands India as imports from Canada. (A number of the shipments from the Dominion arrive via foreign ports, and in that way their identity is frequently lost.)

Principal Imports into Java and Madura

	Total Imports		From Canada	
	Kilos	Dollars	Kilos	Dollars
Wheat flour	78,109,492	2,993,903	1,347,715	51,625
Condensed milk (unsweetened)	1,942,504	324,118	51,931	8,820
Sauces	1,506,501	192,363	7,249	1,558
Fish, fresh and frozen	179,143	81,577	11,202	2,862
Canned sardines	7,084,712	875,670	31,686	6,119
Macaroni	3,926,237	657,611	6,700	1,285
Fresh apples	1,915,809	200,730	10,000	1,027
Sulphate of ammonia	43,572,741	1,497,556	4,697,892	163,446
Canvas	327,955	201,947	4,770	2,120
Pulp	308,133	17,267	167,594	8,610
Newsprint	4,822,047	303,457	1,294,774	80,747
Passenger cars	3,751,470	1,537,320	441,375	302,286
Chassis	1,885,348	780,470	301,154	173,300
Trucks	78,977	44,090	47,009	29,358
Automobile accessories	1,294,350	455,396	28,743	23,229
Automobile engines	238,765	221,489	6,089	5,397
Automobile batteries	662,511	136,980	6,805	1,499
Automobile tires (outer)	2,290,105	1,468,830	131,301	86,958
Automobile tires (inner)	272,061	178,165	19,336	14,325
Rubber manufactures	239,697	94,765	4,563	1,713

IMPORTS OF INTEREST TO CANADA

Biscuits.—1934, \$664,000; 1933, \$853,000. The principal suppliers in the order of their importance in 1934 were: Holland (31·3 per cent), Singapore (30 per cent), Australia (17 per cent), and Great Britain (10·7 per cent). Although Singapore takes second place, only a small percentage of the quantities credited to that point originate there. If the points of origin were accurately shown, Australia would be in the second place and the percentage would probably be greater than that obtained in 1933, namely 20 per cent. Soda biscuits are the only variety coming from Canada, but sales throughout the year remained small. With proper cultivation, this line should assume greater importance.

Chocolates, Bonbons, and Similar Confectionery.—1934, \$367,000; 1933, \$544,000. Holland's share was 56 per cent, that of Great Britain 22 per cent, and that of Japan 5 per cent. Regular business is done in Canadian chocolates, but the quantities are small. Special packing is required.

Rolled Oats.—1934, \$95,000; 1933, \$118,000. The United States obtained 71 per cent of the total, with Holland second. Hermetically sealed containers and extensive advertising account for the place held by the United States.

Honey.—1934, \$10,000; 1933, \$12,000. Australia increased her percentage from 27 to 42. The United States and Switzerland obtained the balance.

Macaroni and Vermicelli.—1934, \$658,000; 1933, \$685,000. Hongkong is credited with 39 per cent, followed by Singapore with 29 per cent, China with 18 per cent, and France with 4 per cent. In 1934 Canadian macaroni was introduced and \$1,600 worth of business was secured.

Concentrated Milk.—1934, \$2,393,000; 1933, \$2,570,000. As in 1933, all varieties of concentrated milk, with the exception of skimmed sweetened condensed, showed a decrease. The only variety supplied by Canada is unsweetened condensed, imports of which amounted to \$10,200 compared with \$13,570 the year before. The principal suppliers are Holland (60 per cent) and the United States (25 per cent). Japan, Denmark, and Norway are other contributors.

Hams.—1934, \$297,000; 1933, \$310,000. Australia had 61 per cent of the total imports and Holland 28 per cent.

Jams, Jellies, and Marmalade.—1934, \$106,000; 1933, \$162,000. Holland obtained 39·6 per cent of the total, Switzerland 21 per cent, Australia 16 per cent, and the United States

4 per cent. Australia is the natural source of supply to this market, and at the prices currently quoted competition is difficult.

Whisky.—1934, \$289,000; 1933, \$277,000. This business goes almost entirely to the United Kingdom.

Boots, Shoes, and Slippers, n.o.p.—1934, \$457,000; 1933, \$644,000. This heading includes canvas-topped shoes with rubber soles. Japan and Singapore practically control the market, Japan with 42 per cent of the total, Singapore with 16 per cent. The percentage obtained by Japan has increased steadily.

Automobile Batteries.—1934, \$221,000; 1933, \$274,000. The United States leads as a supplier of automobile batteries (44 per cent), followed by Germany (21 per cent), Japan (8 per cent), and the United Kingdom (8 per cent). Canada has reappeared as a source of supply with imports valued at \$5,300. Competition is very keen, particularly from the United States, which offers a 13-plate battery at \$2.50 c.i.f., with a one-year guarantee. Canada supplies small quantities of battery parts for local assembly such as separators, plates, cases, etc.

Leather.—1934, \$109,000; 1933, \$60,000. Imports were much improved over those of 1933. The United States obtained 78 per cent of the business. Other suppliers were Germany, Singapore, and Australia. A small quantity for Java is credited to Canada, valued at slightly less than \$1,000. Any make of patent leather will have difficulty competing with a Boston product which has been on the market for years.

Rubber Gloves.—Imports of Canadian rubber gloves in 1934 showed an improvement. If individual statistics were available they would show Canada to predominate in this trade.

Wire Screening.—Canadian prices on wire screening, mosquito netting, etc., are non-competitive; in chicken netting they are 40 per cent too high.

Canned Foodstuffs.—1934, \$340,000; 1933, \$458,000. This business is divided between South America (41 per cent) and Holland (39 per cent). A Canadian product was introduced about the middle of the year. The principal item from South America is corned beef, and from Holland, the United States, and Canada, tinned vegetables.

Toilet Paper.—The market for toilet tissue is steadily expanding. Canada is obtaining a small portion of the business; the greater part is going to Japan.

Women's Dresses.—The first shipment of Canadian dresses was imported in 1934. The difficulty of obtaining a year-round supply of summer-weight garments kills import interest.

Refrigerators.—Netherlands India is the United States' fourth-best market for electric refrigerators. Machines have to be specially built to be satisfactory in this climate, and the larger American firms have branch offices throughout the territory. There is also a good outlet for non-mechanical ice chests if efficiently constructed and cheaply priced.

Potatoes.—There is practically no market for imported table potatoes. Owing to the climate, however, there is regular need for certified seed potatoes. These are required in very small sizes, and although Canadian prices are competitive and the quality satisfactory, it has not been possible to obtain more than very limited quantities in the sizes required.

Cigarettes.—1934, \$612,000; 1933, \$684,000. Principal suppliers in the order of their importance in 1934 were the United Kingdom (51.7 per cent), Egypt (16.5 per cent), Singapore (10 per cent), and the United States (9.2 per cent). Imported cigarettes are almost entirely for European consumption. Imports are declining steadily as local factories extend production. The United Kingdom is the most important foreign supplier because of advertising and priority in the field. There is an opportunity for Canadian cigarettes if properly advertised and offered at competitive prices.

Kraft Paper.—There is a large market in Netherlands India for kraft paper, at present supplied entirely by Scandinavian manufacturers. If Canadian mills could be interested in the market and would quote competitively, a share of the business could easily be obtained.

Asbestos Fibre.—A small demand exists for asbestos fibre, at present met by imports from Rhodesia. A trial shipment of Canadian fibre has been made.

Electric Stoves.—A reduction in the rates for electricity would be reflected in the demand for electric stoves. In certain sections of the country German and American stoves are now being sold.

Wallpaper.—A fair market exists for wallpaper, supplied principally by the United Kingdom. Canadian offers, though of good quality, have not been competitive in price.

Bond Papers.—The market for good-quality bond papers has improved due to the introduction of an engraving plant. Canada has shared relatively well in this improvement.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Tariff Changes

Additional Import Duties (No. 33) Order, 1935, of the United Kingdom, effective December 6, modifies the duty chargeable on imported wooden staves. A rate of 20 per cent ad valorem has been applicable to "staves hollowed or bent," one effect of which was to charge this rate on cylindrically sawn staves which have undergone only a simple sawing process, the final stage of manufacture being carried out in the United Kingdom. Under the new order the 20 per cent rate will continue to be charged on staves further prepared than sawn, but only 10 per cent will be charged on staves not further prepared than sawn (whether cylindrically or otherwise). These rates will apply whether the staves in either case are hollowed or bent or not.

Under Additional Import Duties (No. 34) Order the duty on linseed oil is increased, as from December 12, from £3 10s. per ton to £5. This rate it is stated will secure to the United Kingdom manufacturers of linseed oil, after allowing for the duty they are required to pay on linseed, a protection equivalent at recent prices to about 10 per cent ad valorem.

Additional Import Duties (No. 35) Order, effective December 12, increases from 20 per cent to 40 per cent ad valorem the duty on bearded needles, and narrowing points, running-on points and welt hooks, adapted for use in connection therewith.

The Import Duties (Exemptions) (No. 12) Order, in force December 10, adds to the free list neroli and petitgrain, being natural but not terpeneless essentials oils, formerly 10 per cent ad valorem; while No. 13 Order, effective December 14, removes the 10 per cent duty formerly applicable to common quartz (not including quartzite or quartz sand) raw, including crushed.

(Goods of the kind in question when Canadian products within the meaning of the Imperial preference regulations are guaranteed duty-free entry under the terms of the Canada—United Kingdom trade agreement of 1932.)

Irish Free State Maize Meal Mixture

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, owing to the heavy yield of oats and barley from the season's crop, the Minister of Agriculture of the Irish Free State has made an order requiring registered maize millers, as from December 9, 1935, to increase from $33\frac{1}{3}$ per cent to 50 per cent the proportion by weight of home-grown cereals which must be included in maize meal mixture. Maize millers who use oat-kernels only will be required to incorporate 35 per cent by weight of such kernels in the mixture.

Irish Free State New Duty on Bakelite Ware

Mr. James Cormack, Canadian Trade Commissioner, Dublin, advises that, effective December 14, the Irish Free State imposed customs duties of 50 per cent ad valorem under the general tariff and $33\frac{1}{3}$ per cent under British preferential tariff (applicable to Canada) on the following articles, formerly free of duty, made of cellulose ester, casein, synthetic resin, or similar substance: cups, saucers, plates, goblets, containers for salt, pepper or mustard, egg-cups and egg-stands, spoons, napkin rings, ash-trays, screw caps for bottles or jars, salad servers, milk-jugs, sugar basins, door finger-plates, trays, teapot, flower-pot and similar stands. The new duty is designed to protect the domestic manufacture of bakelite ware, which is now being produced in County Tipperary

New Zealand Customs Decisions

Recent decisions by the New Zealand Department of Customs regarding the classification and rates of duty on articles regarding which questions had been raised include the following:—

Electric floodlights consisting of lamp-holder fitted with reflector or lens (or both) and a support incorporating means for changing direction of the light, 10 per cent ad valorem under the British preferential and 35 per cent ad valorem under the general tariff; armature winding machines, stainless steel nozzles for oil-burners, jack cradles used in conjunction with garage jacks in lifting front wheels of motor cars having "knee action" springing, screw type tread cut repair gun for forcing rubber gum into cuts on the treads of tires, all free under the British preferential and 25 per cent under the general tariff; worn pneumatic rubber tires to be used only in remoulding or retreading, 2½d. per pound under either tariff; petrol systems or pumps (portable or not) consisting of storage tanks, pumps, filters, measuring appliances, hose, hose couplings, check meter and other parts, for storing and delivering petrol for motor vehicles, 20 per cent under the British preferential and 45 per cent under the general tariff; feather trimming in the piece to be used only in the manufacture of slippers, cherries in brine for use only in the manufacture of drained or crystallized cherries, all free under both tariffs; metal fittings and stampings for the manufacture of advertising and similar badges and brooches, free under British preferential, 10 per cent under general tariff; screwed bolts, hinged and sleeve-bolts, for manufacture of tennis racquet presses, free under British preferential, 20 per cent under general tariff.

Articles "free" of ordinary duty are subject to 3 per cent ad valorem primage duty. Canadian products are entitled to British preferential rates and are subject to a surtax of 22½ per cent of duty (not primage duty).

Reciprocal Removal of Surtaxes by Japan and Canada

An Exchange of Notes between the Japanese and Canadian Governments has resulted in the decision of the Japanese Government to cancel on January 1, 1936, the surtax of 50 per cent ad valorem levied for a period of one year from July 20, 1935, on certain goods the produce or manufacture of Canada. The goods affected include wheat, wheat flour, high-gluten flour, starch (other than corn starch), wood-pulp, wrapping and match paper, felts for paper-making, and pine, fir, cedar and other coniferous lumber, timber, and logs. (See *Commercial Intelligence Journal* No. 1643: July 27, 1935, page 153.)

Canada, in return, has decided to cancel on January 1, 1936, the surtax of 33½ per cent ad valorem levied on goods the produce or manufacture of Japan, imposed by Order in Council of August 3, 1935, and to modify the customs regulations respecting "goods of a class or kind made or produced in Canada," whereby this phrase will be held to mean made or produced in Canada in quantities sufficient to supply at least 10 per cent of normal Canadian consumption.

In computing the value for duty of goods of a class or kind made or produced in Canada, the value of the yen during 1936 will be taken at 39.5 cents (the average exchange value of the yen, in terms of the Canadian dollar, for the five-year period 1930-34, and for 1937 the value of the yen will be taken at the average exchange value for the period 1931-35, and similarly for each succeeding year unless the current exchange value should be higher than the average value, in which case the current exchange value would apply. Value for duty of goods of a class or kind not made or produced in Canada will be computed at the current rate of exchange.

Canada agrees to cancel on January 1, 1936, the values established under authority of Section 43 of the Customs Act, on a number of commodities, and to afford opportunity for appeal to the Tariff Board of Canada respecting any value for duty which may henceforth be established under this section.

Bermuda Tariff Amendments

Effective January 1, 1936, Bermuda reduced the duty on goods not separately named in the tariff from 11 per cent ad valorem British preferential tariff and 13½ per cent general tariff to 10 per cent and 12½ per cent respectively. A considerable range of commodities is dutiable at these rates. Canadian products enter Bermuda under the British preferential tariff.

United States—Honduras Trade Agreement

A trade agreement between the United States and the Republic of Honduras was signed on December 18, 1935, at Tegucigalpa. It will come into force thirty days after the exchange of the instruments of ratification and approval. The agreement provides for reciprocal tariff benefits including reductions in duty, guarantees against duty increases and guarantee of continued duty-free entry on important exports of each country. Both countries also agree to accord each other unconditional most-favoured-nation treatment in tariff matters.

Goods on which Honduras guarantees continued free entry to imports from the United States include passenger automobiles and trucks, tires, upper leather and patent leather. Existing duties are bound on 20 commodities including hand tools, breakfast foods, fresh fruits, sweetened biscuits, wheat flour, sawed timber and boards. Reductions of duty are accorded on 17 commodities including canned meat, rolled oats and oatmeal, canned fruits, dried fruits, unsweetened biscuits, canned tomatoes, corn, peas and asparagus, condensed and evaporated milk, canned sardines, canned salmon, butter.

The concessions made by the United States to Honduras include assurances that coffee, bananas, cocoa beans, sarsaparilla root, and raw deerskins will continue to be exempt from duty and provision for reduction of the duties on balsams, pineapples, guava pastes and pulps, preserved guavas, and mango pastes and pulps.

Netherlands Import Restrictions on Plywood

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writing under date December 12, 1935, states that by a royal decree of December 10, 1935, a quota has been established on the importation into the Netherlands of plywood, with the exception of alder, birch, and Douglas fir plywood. During the period from December 1, 1935, to March 31, 1936, inclusive, imports shall not exceed 50 per cent of the average gross weight imported from each exporting country per four months during 1934. The Minister of Trade, Industry and Shipping may grant special quotas to designated countries.

Chinese Regulations Governing Patent and Proprietary Medicines

With reference to the report in *Commercial Intelligence Journal* No. 1655 (October 19, 1935), page 696-7, on proposed Chinese regulations governing patent and proprietary medicines, proposed to be enforced from January 1, 1936, Mr. H. A. Scott, Canadian Trade Commissioner at Shanghai, writes under date November 29 that importers in Shanghai of patent and proprietary medicines were continuing their efforts to have the enforcement of the regulations postponed as well as modified. While no official announcement has been made, Mr. Scott advises that there is every likelihood of a postponement until July 1, 1936.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DECEMBER 30

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending December 30, 1935, with the official bank rate. Quotations for the week ending December 23, 1935, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 23	Nominal Quotations in Montreal Week ending Dec. 30	Official Bank Rate
Austria	Schilling	.1407	\$.1890	\$.1893	3½
Belgium	Belga	.1001	.1696	.1696	2
Bulgaria	Lev	.0072	.0135	.0135	6
Czechoslovakia	Krone	.0296	.0417	.0418	3½
Denmark	Krone	.2680	.2215	.2214	3½
Finland	Markka	.0252	.0219	.0218	4
France	Franc	.0392	.0663	.0665	6
Germany	Reichsmark	.2382	.4048	.4048	4
Great Britain	Pound	4.8666	4.9625	4.9625	2
Greece	Drachma	.0130	.0095	.0095	7
Holland	Guilder	.4020	.6820	.6832	3½
Hungary	Pengo	.1749	.2981	.2982	4
Italy	Lira	.0526	.0812 Nom.	.0810 Nom.	5
Jugo-Slavia	Dinar	.0176	.0231	.0230	5
Norway	Krone	.2680	.2493	.2492	3½
Poland	Zloty	.1122	.1896	.1900	5
Portugal	Escudo	.0442	.0452	.0450	5
Roumania	Leu	.0060	.0081	.0080	4½
Spain	Peseta	.1930	.1374	.1378	5
Sweden	Krona	.2680	.2557	.2557	2½
Switzerland	Franc	.1930	.3265	.3274	2½
United States	Dollar	1.0000	1.0068	1.0065	1½
Argentina	Peso (Paper)	.4245	.3309*	.3307*	—
			.2734†	.2718†	
Brazil	Milreis (Paper)	.1196	.0844*	.0845*	—
			.0554†	.0549†	
Chile	Peso	.1217	.0514*	.0513*	4½
			.0413†	.0413†	
Colombia	Peso	.9733	.5721	.5735	4
Mexico	Peso	.4985	.2796	.2795	—
Peru	Sol	.2800	.2618	.2617	6
Venezuela	Bolivar	.1930	.2578	.2577	—
Uruguay	Peso	1.0342	.8070	.8080	—
Cuba	Peso	1.0000	1.0062	1.0057	—
Hongkong	Dollar	.....	.3185	.3246	—
India	Rupee	.3650	.3747	.3745	3½
Japan	Yen	.4985	.2896	.2898	3.65
Java	Guilder	.4020	.6837	.6855	4
Shanghai	Dollar	.....	.2958	.2977	—
Siam	Baht (Tical)	.4424	.4547	.4549	—
Straits Settlements	Dollar	.5678	.5893	.5800	—
British Guiana	Dollar	1.0138	1.0337	1.0337	—
Jamaica	Pound	4.8666	4.9750	4.9750	—
Other British West Indies	Dollar	1.0138	1.0337	1.0337	—
Martinique	Franc	.0392	.0663	.0665	—
Guadeloupe	Franc	.0392	.0663	.0665	—
Australia	Pound	4.8666	3.9700	3.9700	—
Egypt	Pound (100 Piastres)	4.9431	5.0850	5.0830	—
New Zealand	Pound	4.8666	4.0025	4.0000	—
South Africa	Pound	4.8666	4.9562	4.9562	—

* Official. † Unofficial.

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The position of the French franc dominated news of exchange markets for the week ended December 28. The franc moved below the gold export point again, and a small amount of gold was engaged for shipment to the United States, marking the resumption of a flow which terminated several weeks ago. Sterling and New York funds fluctuated narrowly at Montreal, the former closing at \$4.9720 and the latter at \$1.0075. The formation of banking pools in New York and London to support the silver market was indicative of a more stable price outlook for this metal.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	St. Boniface, Man.
Halifax, N.S.	Stratford, Ont.	Winnipeg, Man.
Quebec, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Montreal, P.Q.	St. Mary's, Ont.	New Westminster, B.C.
Toronto, Ont.	Portage la Prairie, Man.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Haddock.....	1	Havana, Cuba.....	Agency.
Hake.....	2	Havana, Cuba.....	Agency.
Seed Potatoes.....	3-4	Havana, Cuba.....	Agency.
Edible Potatoes.....	5	Havana, Cuba.....	Purchase.
Lard.....	6	Guayaquil, Ecuador.....	Agency.
Miscellaneous—			
Horse and Cattle Hair, Pork Bristles	7	Pont-Rousseau (Loire-Inférieure), France.	Purchase.
Horse Hides (Wet Salted).....	8	Osaka, Japan.....	Purchase.
Sole Leather.....	9	Havana, Cuba.....	Agency.
Navy Barrows.....	10	Sheffield, England.....	Purchase.
Maple Blocks.....	11	Belfast, Northern Ireland..	Purchase.
Nails and Shoe Tacks.....	12	Havana, Cuba.....	Agency.
Wrought Iron or Steel Tubes.....	13	Belfast, Northern Ireland..	Purchase.
Battery Containers (Hard Rubber and Composition)	14	Brussels, Belgium.....	Agency.
Dairy Equipment (Pasturization Plant).	15	Medellin, Colombia.....	Purchase.
Litharge, Red Lead, Lamp Black..	16	Soerabaia, Java.....	Purchase and Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To Liverpool.—Montclare, Jan. 11; Duchess of Atholl, Jan. 18; Duchess of Bedford, Feb. 1—all Canadian Pacific; Antonia, Jan. 12; Lancastria, Jan. 26—both Cunard-White Star Line; Manchester Hero, Manchester Line, Jan. 22; Lehigh, Oriole Line, Jan. 23; Newfoundland, Furness Line, Jan. 28.

To London.—Beaverbrae, Jan. 10; Beaverford, Jan. 17; Beaverdale, Jan. 24; Beaverburn, Jan. 31; Beaverbrae, Feb. 7—all Canadian Pacific; Aurania, Jan. 18; Alaunia, Feb. 1—both Cunard-White Star Line; Waukegan, Jan. 17; Quaker City, Feb. 2—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Producer, Jan. 11; Manchester Regiment, Jan. 18; Manchester Commerce, Jan. 25; Manchester Port, Feb. 1; Manchester Citizen, Feb. 8—all Manchester Line; Lehigh, Oriole Line, Jan. 23.

To Aberdeen, Newcastle and Hull.—Kelso, Jan. 15; Gitano, Feb. 10—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Montreal City, Jan. 10; Boston City, Jan. 29; New York City, Feb. 8—all Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnglen, Jan. 13; Cairnross (calls at Dundee), Jan. 27; Cairnesk, Feb. 10—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Jan. 20; Norwegian, Feb. 17—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Dakotian, Jan. 20; Sulairia, Feb. 3; Norwegian, Feb. 17—all Donaldson-Atlantic Line.

To Antwerp.—Beaverdale, Jan. 24; Beaverbrae, Feb. 7—both Canadian Pacific.

To Hamburg.—Waukegan, Jan. 17; Quaker City, Feb. 2—both American Hampton Roads (call at Hull and Leith); Beaverburn, Canadian Pacific, Jan. 31.

To Copenhagen, Gothenburg and Baltic Ports.—Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, Jan. 12; Svaneholm (does not call at Copenhagen), Swedish-America-Mexico Line, Jan. 31.

To St. John's, Nfld., and St. Pierre-Miquelon.—Rosalind, Furness-Red Cross Line, Jan. 6; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Jan. 8; Belle Isle, Newfoundland-Canada SS. Co., Jan. 13; Newfoundland (does not call at St. Pierre), Furness Line, Jan. 28.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Jan. 16; Lady Hawkins, Jan. 30; Lady Drake, Feb. 13—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Jan. 7 and 27.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, Jan. 9; Lady Rodney, Jan. 23—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, Jan. 15; Ba, Jan. 29—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Colborne (calls at St. Georges), Jan. 11; Chomedy (does not call at Hamilton), Jan. 25—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston (Jamaica) and Port au Prince (Haiti).—Cathcart, Jan. 6; Cavalier (does not call at Port au Prince), Jan. 30—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Malayan Prince, Jan. 17; Silverwalnut, Jan. 31; Siamese Prince, Feb. 14—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttleton.—Canadian Conqueror, Canadian National, Jan. 24.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Scottish, Canadian National, Jan. 31.

From Saint John

To Liverpool.—Montclare, Jan. 10; Duchess of Atholl, Jan. 17; Duchess of York, Jan. 24; Duchess of Bedford, Jan. 31—all Canadian Pacific.

To London.—Beaverbrae, Jan. 9; Beaverford, Jan. 16; Beaverdale, Jan. 23; Beaverburn, Jan. 30; Beaverbrae, Feb. 6—all Canadian Pacific.

To Manchester.—Manchester Producer, Jan. 9; Manchester Regiment, Jan. 16; Manchester Commerce, Jan. 23; Manchester Port, Jan. 30; Manchester City, Feb. 6—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Jan. 18; Norwegian, Feb. 15—both Donaldson and Dominion Lines.

To Glasgow.—Dakotian, Jan. 18; Sulairia, Feb. 1—both Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnglen, Jan. 11; Cairnross (calls at Dundee), Jan. 25; Cairnesk, Feb. 8—all Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head, Jan. 15; Fanad Head, Jan. 25—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Gunvor, Canada-Mediterranean Line, Jan. 17.

To Antwerp and Havre.—Evanger, Jan. 18; Grey County (calls at Rotterdam but not at Antwerp), Jan. 27; Brant County (calls at Rotterdam), Feb. 12—all County Line; Beaverdale (does not call at Havre), Canadian Pacific, Jan. 23.

To Hamburg.—Beaverburn, Canadian Pacific, Jan. 30.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Jan. 8; Lady Hawkins, Jan. 22; Lady Drake, Feb. 7—all Canadian National.

To Kingston and Jamaican Outports.—San Benito, Jan. 8; Darien, Jan. 22—both United Fruit Line.

To Manila, Hongkong, Shanghai and Dalny.—City of Singapore, Canada-Far East Line, Feb. 10.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Earlsark (does not call at Sierra Leone, Lourenco Marques or Beira), Jan. 7; a steamer, Jan. 27—both Elder-Dempster Line; Silverbeech, Kerr-Silver Line, Jan. 18.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Lyons, Canada-India Service, Jan. 14.

From Vancouver

To Yokohama, Kobe and Osaka.—Hikawa Maru, Jan. 8; Hiye Maru, Jan. 22; Heian Maru, Feb. 15—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls Nagasaki), Jan. 9; Empress of Japan (calls Honolulu), Feb. 8; Empress of Asia (calls Nagasaki), Feb. 22—all Canadian Pacific; Ixion, Blue Funnel Line, Feb. 2 (calls at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Sourabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Silveray, Silver-Java Pacific Line, Jan. 29.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Jan. 29; Niagara, Feb. 26—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, Oceanic and Oriental Navigation Co., Jan. 20.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, Jan. 30; Wairuna, Feb. 6—both Canadian-Australasian Line (call at Apia and New Plymouth).

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., January.

To London, Liverpool and Rotterdam.—Damsterdyk (calls at Glasgow), Jan. 11; Lochkatrine, Jan. 25—both Holland-America Line (call at Southampton if inducements offer).

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—America, East Asiatic Co., Jan. 17.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., February.

To Scandinavian Ports.—Axel Johnson, Jan. 7; Margaret Johnson, Jan. 21—both Johnson Line.

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To Port of Spain (Trinidad) and Bridgetown (Barbados).—Nordpol, Canadian Transport Co., Jan. 28.

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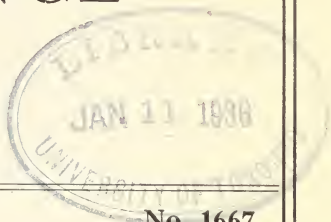
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1-12-37

COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, January 11, 1936

No. 1667



Recent Canadian Exhibit at Canada Shop, Romford, Essex,
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JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, January 11, 1936

No. 1667

CENTRAL CHINA TIMBER MARKET

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(The average value of the gold unit during the period 1932 to 1934 was as follows (in U.S. currency): 1932, \$0.57; 1933, \$0.52; 1934, \$0.66. The import figures for 1932 shown throughout this report include Manchuria, but as the proportion accounted for by Manchurian ports in each table is relatively negligible, the comparisons suggested are not materially affected.)

Shanghai, November 30, 1935.—For many hundreds of years China proper has been, broadly speaking, denuded of forests, and, while there are still several timber-producing areas in existence, high transportation costs have rendered their resources largely ineffective in supplying the chief consuming areas of the country, which are located on the coast.

Apart from bamboo wood, which is used throughout China in the erection of cheap dwellings, particularly in the country, and for a variety of other purposes, almost the only other wood commercially available to the large consuming areas is what is known as the Foochow pole. This is a soft wood which is distributed from Foochow to various other ports in junks. It is used to a considerable extent as piling for small buildings and as rough-hewn joists in native-type dwellings, etc., but its small dimensions and high transportation costs militate against sales. As a result of this shortage of wood materials, China is vitally dependent on outside sources for her general timber requirements and imports each year very substantial quantities of both softwoods and hardwoods.

SOFTWOODS

The major portion of the imports and those of most interest to Canada consist of softwoods. Taking the yearly average from 1932 to 1934 as the most recent basis for comparison, China's annual sawn softwood imports amounted to just over 200,000,000 board feet valued at approximately 6,000,000 gold units. Imports of softwood logs during the same period averaged just over 124,000,000 board feet valued at 3,000,000 gold units. Sawn hardwood imports during the three years from 1932 to 1934 averaged 17,350,000 board feet valued at 982,000 gold units, and imports of hardwood logs for the same period amounted to 59,000,000 board feet valued at 2,270,000 gold units.

IMPORTS OF SAWN SOFTWOOD

The following table gives the total imports into China of sawn softwood, along with imports from particular sources of supply, during the calendar years 1932 to 1934 inclusive:—

	1932	1933	1934
	In 1,000 Feet Board Measure		
Total	136,181	242,703	223,022
Canada	34,632	85,047	103,689
Japan	2,382	1,199	502
United States	65,343	124,651	103,415
U.S.S.R.	28,897	25,023	9,338

The Chinese Maritime Customs classify softwoods as including conifers such as pine, fir, hemlock, etc. Practically no cedar is included in the above figures, the chief Canadian and United States woods involved being Douglas fir planks, boards, square timbers, and a small quantity of hemlock.

The above classification signifies ordinary sawn wood with no processing other than simple sawing.

It will be seen from the figures given in this table that Canada's share of the Chinese market has very materially grown in the last three years, the Dominion's share of the total imports having increased from around 25 per cent in 1932 to just over 46 per cent in 1934, whereas the relative position of the United States has slightly receded from 48 per cent of the total imports in 1932 to 46 per cent in 1934.

Imports from Soviet Russia, on the other hand, which accounted for 20 per cent of the total imports in 1932, fell away to less than 5 per cent in 1934. Shipments from this source have so far apparently been handicapped by uncertainty of supply, deliveries, quality of grading, and transportation difficulties. When available, however, Russian wood has been sold at very low prices.

This was particularly true in 1932, when large shipments came into the Shanghai market on consignment and, considering the large timber areas available in Siberia, it is a question—dependent, of course, on the policy of the Soviet Government—to what extent competition may be expected from this source. The general opinion in this market seems to be that Russian lumber does not, generally speaking, come up to the specifications required, and it is reported that quite a considerable percentage of the wood brought in from this source from time to time has been poorly sawn.

Sawn softwood lumber is in wide demand for a variety of purposes connected with general construction activities.

In the ordinary sawn-softwood section, Douglas fir is imported mainly in Merchantable and Common grades, comparatively little business being done in Clears. The chief quality is known as "China grade," consisting of Merchantable allowing one-third Common on the "N" List. Other grades sold here are No. 2 and Better Common and No. 3 and Better Common. In the above grades specifications vary as regards sizes all the way from 1-inch by 6-inch boards to 12-inch by 12-inch squares, but strongly favouring 12-inch widths in all thicknesses.

MANUFACTURED SOFTWOODS

The heading "manufactured softwoods" includes all dressed lumber such as flooring, partitioning, etc. Imports are given for the years 1932 to 1934 as follows:—

	1932	1933	1934
	In 1,000 Feet Board Measure		
Total	22,453	34,458	33,677
Canada	6,545	18,503	18,857
United States	15,578	15,732	14,667

Canada and the United States are the only sources of supply separately indicated, and it will be observed that the Dominion's share of the total has increased in the last three years. The bulk of the imports under this grouping consist of Douglas fir flooring, which is in general use throughout the Central China market.

The various grades imported include No. 2 Clear and Better in 1-inch by 6-inch and 1-inch by 4-inch sizes: No. 1 Common, allowing 20 per cent No. 2 Common; No. 2 Common; and No. 3 and Better Common. There is also a certain demand for No. 4 Clear-grade flooring. By far the largest import is in the 1-inch by 6-inch size in all of the above-mentioned grades.

Small quantities of United States maple flooring have been sold from time to time in this market for dance-hall floors, gymnasiums, etc. No Canadian flooring has come into the Shanghai market in recent years as far as is known. The outlet, however, for maple flooring is decidedly limited since, as far as general flooring requirements are concerned, maple cannot compete in price against either hardwood flooring made locally from imported logs principally from such countries as British North Borneo and the Federated Malay States, or oak from Japan.

SOFTWOOD LOGS

In addition to sawn softwood, China also imports logs for resawing. Imports of round softwood logs for the years 1932 to 1934 are given below:—

	1932	1933	1934
	In 1,000 Feet Board Measure		
Total	146,195	124,667	100,536
Canada	4,368	1,347	8,793
Japan and Korea	63,995	28,243	28,071
United States	17,958	4,540	18,592
U.S.S.R.	55,336	58,558	.....

Up to comparatively recent years what are known as Hokkaido and Saghalien logs constituted the bulk of the log imports into this market, but various factors, including higher productive costs and Russian competition in certain years, have led to a decline in Japanese shipments. Hokkaido and Saghalien logs sawn here are mainly used in cheap house construction and for box-making.

It will be noted from the foregoing table that Canada has greatly increased her share of the imports, although the total importation of logs substantially declined during the three-year period. Imports from Soviet Russia, which accounted for 33 per cent and 29 per cent in 1932 and 1933 respectively, ceased altogether last year.

The combined total of imports from Canada, the United States, and Japan in 1934 only accounted for 54 per cent of the imports, thus leaving a large balance to all other countries. It is considered that the remainder consisted chiefly of softwood logs brought from Manchuria into China proper for consumption principally in the northern areas of the country.

Canadian and United States exports of softwood logs consist mainly of Douglas fir with a small percentage of hemlock. As regards Douglas fir, the Chinese market calls for a good round sawlog, from 12 inches and up top diameter and in lengths from 12 to 40 feet. This market will not, however, pay the price for a very high selection, so the bulk of the business is done in No. 2 Export grade.

Hemlock logs from Canada and the United States are imported principally for the box-making industry, which is of considerable importance, due to the demand for shooks created by the well-established cigarette, soap, and oil trades. Several years ago Russian and Manchurian logs, offered at prices much below those of Canadian hemlock, seriously curtailed Canada's share of this business. With the cessation of Russian shipments into Shanghai, however, the trade has reverted more or less to its former position with a resultant fair demand for hemlock, which shares the business with Japanese pine logs, also used in the manufacture of box shooks. The hemlock specifications for the Shanghai market call for Export grade logs in from 12-inch to 24-inch top diameters and from 12-feet to 24-feet lengths.

PILING

There are no separate statistics showing imports of piling, this item being included under "timber not otherwise recorded." Imports, which are given

under this heading by value only, are shown for the past three years as follows:—

	1932	1933	1934
	Figures in Gold Units		
Total	747,173	806,092	1,122,753
Canada	4,091	91,972	215,863
Japan	287,195	388,236	519,087
United States	65,240	119,647	209,904
U.S.S.R. Asiatic ports	74,887	96,873	11,527

The imports credited to Japan represent various woods of small dimensions, but the figures for Canada and the United States refer principally to Douglas fir piling. It will be observed that total arrivals have grown substantially, as have exports from Canada and the United States, while imports from Soviet Russia have drastically fallen off.

FOUNDATION MATERIAL THE CHIEF DEMAND

For many years there has been a demand in China for piling as a foundation for smaller buildings and for wharfage, etc. However, consumption has greatly expanded in recent years, notably in Shanghai, as a result of the extensive building program which has been carried out in this city involving the erection of a number of high office buildings, hotels, new bank quarters, and apartment houses, etc., of dimensions quite the equal of modern construction in Canada.

Owing to the great depth of the mud foundation of the city of Shanghai, the site of which forms part of the old delta of the Yangtsze River, deep foundations in the form of piling are essential. Building activity in this city at present is proceeding at a very reduced pace in comparison with the recent boom years when land values were at a high premium, and in all probability some considerable time will elapse before local construction will again reach the former scale. It would appear therefore as though the demand for piling in the near future will have to depend principally on industrial and wharfage requirements.

An additional outlet for piling is in the construction of railway and highway bridges. In this direction there would seem to be room for further expansion.

RAILWAY SLEEPERS

Railway ties constitute one of the most important items in Canada's timber exports to the Chinese market. Imports for the past three years are given as follows:—

	1932 Pieces	1933 Pieces	1934 Pieces
Total	1,224,278	1,953,176	2,451,154
Canada	118,752	293,047	159,085
Australia	70,496	100,546	256,356
United States	781,675	1,350,261	1,851,423
Siam	46,908	92,837	108,081
Straits Settlements and Federated Malay States	15,799	36,000	6,647
U.S.S.R. Asiatic ports	149,654	57,628	44,178

The above table reflects a steady increase in total imports for the years 1932 to 1934. Arrivals during the first ten months of the current year, amounting to 3,370,084 ties, not only far exceeded the total for the whole of 1934 but represent a larger importation of railway sleepers to China than in any full year within a decade.

FACTORS IN THE INCREASING DEMAND

Various factors have led to the increased demand for railway ties in recent years, among them being the serious need for replacement on established lines and the new construction taking place throughout several sections of the country,

notably in Chekiang Province lying to the south of Shanghai, the important Canton-Hankow Railway line now being completed, and the Lunghai Railway line in Honan Province. Finally, the comparatively peaceful conditions of the country, especially in the Central China region during the past three years, have assisted railway earnings, thus facilitating replacements and other improvements on existing lines as well as helping to provide revenue for the development of new trackage.

It is estimated that there are now approximately 6,000 miles of railway line in China proper, of which total in the neighbourhood of 620 miles have been constructed within the past two years. Considering that in the preceding four years it is estimated that only 210 miles were constructed, it will be apparent that China is undergoing an era of important railway expansion.

NORTH AMERICA CHIEF SOURCE OF SUPPLIES

As reference to the above table will show, the United States, which ships Douglas fir ties, has been the leading supplier of railway ties to this market during the past three years. During the present year, however, imports of Canadian Douglas fir ties have shown a remarkable expansion, Canada being credited with 1,117,056 sleepers for the first ten months of 1935 as compared with 159,085 during the corresponding period of 1934. On the other hand, imports from the United States fell slightly from 1,560,822 sleepers in the first ten months of 1934 to 1,458,732 from January to October of 1935.

In this connection, it is understood that the Chinese Government railways have lately been buying higher-grade sleepers, more suitable to the type of timber available in British Columbia, and, given a continuation of the Government's present railway construction program, China should remain an important outlet for Canadian railway ties. The usual specification in this market calls for ties of 6 inches by 9 inches by 8 feet.

OTHER COMPETING SOURCES

Although the bulk of the sleepers being used at present are Douglas fir from North America, Australia is also a factor in this market along with Soviet Russia, the Straits Settlements, and Siam. As far as Soviet Russia is concerned, imports from that source have principally gone into North China, while in the case of hardwoods from the Straits Settlements and Siam their principal outlet has been in the southern section of China.

Australia supplies this market with considerable quantities of Jarrah wood sleepers and also, on a smaller scale, what are known as New South Wales mixed-grade hardwood ties. While the Jarrah wood tie is much higher in price than Douglas fir, it nevertheless finds a market in certain areas, particularly in the South of China, where hardwood ties are considered more immune to attacks from the white ant. Similarly, hardwood sleepers from Siam and the Straits Settlements are in demand for certain railway lines.

The possibility of developing a market for Douglas fir creosoted sleepers which would resist insects has already been investigated by various representatives of Canadian interests, and as a result an initial order was placed in 1934 by the Ministry of Railways of the Nanking Government for Canadian creosoted sleepers to be used on the Canton-Hankow Railway. It is hoped that this will be the forerunner of a substantial future business as the railways in China become more familiar with the advantages of employing creosoted ties.

SAWN HARDWOOD

Neither Canada nor the United States are serious factors in the imports of sawn hardwood into China, which are almost entirely supplied from Asiatic

tropical countries, and to a lesser extent from Japan, at prices with which Eastern Canadian woods, apart from other considerations, could not possibly compete owing to higher transportation costs.

HARDWOOD LOGS

Imports of hardwood logs are given for the years 1932, 1933, and 1934 as follows:—

	1932	1933	1934
	In 1,000 Feet Board Measure		
Total	49,597	69,778	58,233
Canada	3,978	6,679	3,264
British North Borneo	15,480	18,236	12,010
Japan	11,383	11,017	10,959
U.S.S.R.	5,617	5,897	.....
Straits Settlements and Federated Malay States	3,085	3,524	3,139
United States	2,897	11,606	6,050

As will be seen from the above statistics, the principal supplies are drawn from British North Borneo and Japan, which latter country ships to China considerable quantities of oak timber, used in the manufacture of furniture, flooring, etc. Japan also supplies this market with a species of lime known as shinanoki, which is used principally for box-making and, to a lesser extent, in the manufacture of certain types of matches. The tendency, however, of this wood to turn yellow militates against its use in the match trade.

COTTONWOOD LOGS

The chief interest to Canada in the hardwood timber imports lies in cottonwood logs. These are classified as "hardwood" in the Chinese Maritime Customs statistics, and it is understood that the shipments credited to the Dominion and the United States under this heading consist mainly of this class of wood. Cottonwood logs are imported by China for the use of the extensive match industry, embracing well over 100 factories, of which the most important are established at Shanghai.

Aspen-wood is considered the most suitable material for making match splints, and the regular sources of supply in the past have been Russia, Manchuria, and Japan, with occasional shipments reaching this market from as far afield as northern Europe. In recent years, however, due to the depressed conditions of the Chinese match trade, there has been a tendency to look for a cheaper raw material, with the result that a considerable quantity of Canadian and American cottonwood logs have been imported for this purpose. Cottonwood logs for the Chinese match industry are generally required in from 8-inch to 16-inch top diameters with maximum butt diameters not exceeding 24 inches, in lengths from 8 to 20 feet.

BIRCH LOGS

In addition to cottonwood, the imports of hardwood logs from Canada have from time to time included limited quantities of round birch logs in No. 1 Export grade, used to a small extent in Shanghai for the manufacture of bobbins for the textile industry. These logs have been purchased in lengths from 8 to 16 feet in 9-inch to 14-inch butt diameters. The available business, however, is very small as several of the more important textile companies prefer to use imported manufactured bobbins, which they find more satisfactory than the domestic article.

POSITION OF SHANGHAI IN THE TRADE

Quite apart from the extensive building operations which have taken place in Shanghai within the past ten years, this port is outstandingly the most

important buying centre in China. Taking the average of the three years 1932 to 1934 inclusive, Shanghai is credited with the importation of approximately 75 per cent of the total sawn softwoods entering China, and in the case of softwood logs imports into Shanghai represented 33 per cent of the total for the same period.

As regards hardwood logs, this port for the three-year average referred to above absorbed 36 per cent of the total imports into China, and in sawn hardwood import figures indicate that Shanghai imported just over 80 per cent of the total arrivals.

AS DISTRIBUTING CENTRE

In addition to taking care of its own requirements, Shanghai acts in general as a distributing centre for the whole of Central China, and while shipments are frequently made direct in ocean vessels to the interior cities of Nanking and Hankow on the Yangtze River, in the majority of cases c.i.f. orders are placed abroad through Shanghai importers.

Other centres canvassed by importers in this city for direct shipment include Foochow to the south and Tsingtao (Kiaochow) in the north. Aside from direct shipments to the various ports referred to above, quite a proportion of the lumber destined for large interior cities in Central China is transhipped at Shanghai.

ORGANIZATION OF TIMBER TRADE

The Shanghai timber trade is mainly in the hands of a few large importers who chiefly purchase abroad as principals on indents from Chinese dealers, to whom they usually extend credits for appreciable periods. However, one of the larger foreign firms engaged in this business also purchases for its own account and carries stocks for local distribution.

All of the more important firms engaged in the importation of lumber and logs from the Pacific Coast of North America are known to have well-established sources of supply, and none of them are disposed to consider new contacts. Although there are a number of smaller importers in Shanghai who from time to time attempt to enter into this business, they are usually handicapped by lack of adequate capital and thus find it difficult to compete against the larger houses already well-established in the lumber trade.

As a result of this situation in recent years, particularly in the face of the deepening depression which has overtaken Shanghai, it has been seldom possible for this office to arrange connections for Canadian exporters new to this market with local firms capable of producing worthwhile business.

PRESENT SITUATION

In common with practically all other commercial activity in Shanghai, the lumber market has been affected during 1935—indeed, the Chinese Lumber Dealers' Guild in this city suspended the buying of Pacific Coast softwoods during the summer months in an effort to reduce accumulated stocks. Nevertheless the imports of softwood into China from Canada and the United States during the first ten months of the year have been considerably greater than in the corresponding period of 1934, and total imports from all sources were substantially greater.

Ordinary sawn softwood, softwood logs, and manufactured softwood are not shown separately in the preliminary returns. However, the figures quoted below giving total imports of softwood, along with the chief sources of supply, for the first ten months of 1935 will give an indication of the volume of imports

so far during the year and will provide a comparison with the corresponding period of 1934:—

	Jan.-Oct., 1934 1,000 Ft. B.M.	Jan.-Oct., 1935 1,000 Ft. B.M.
Total	290,624	351,426
Canada	105,905	115,912
United States	118,173	169,318
Japan and Korea	24,782	25,975

While the above figures reveal a larger importation of softwood during the first ten months of 1935 than in the same period of 1934, this is surprising because importers here report that business grew steadily more difficult as the year 1935 progressed. However, the explanation would probably be found in the fact that arrivals necessarily lag considerably behind orders. The large accumulation of sawn lumber in Shanghai, which reached around 130,000,000 feet in the summer, has now been liquidated to a large extent and it is said that present stocks do not exceed from 40,000,000 to 50,000,000 feet, which is about the normal carry. The general trade difficulties still existing plus the unsettled political atmosphere, however, stand in the way of revival. Prospects are not hopeful for any appreciable improvement until at least after the Chinese New Year, which takes place towards the end of January, 1936.

CUSTOMS DUTIES

The customs duties at present in force on the various softwood and hardwood items of interest to Canadian exporters are as follows:—

(One cubic metre equals 424 f.b.m. The current value of the gold unit is 67.245 cents Canadian currency.)

Ordinary rough-hewn and round logs—	C.I.F. Value
(a) Aspen, poplar, cottonwood and lime	10%
(b) Others	G.U. per Cub. M. 2.90
Softwood logs	2.00
Ordinary sawn hardwood, not exceeding in value 75 gold units per cubic metre	6.30
When the value of sawn hardwood lumber is greater than 75 gold units per cubic metre, it is assessed under "Hardwood not otherwise recorded," and is dutiable at 20 per cent of the c.i.f. value.	
Ordinary sawn softwood	4.00
Ordinary manufactured hardwood (including any process further than simple sawing but not including masts and spars)—	
(a) Clear grade on net measure not over 130 gold units in value per cubic metre	12.00
(b) Merchantable grade on net measure, not over 85 gold units in value per cubic metre	9.60
Manufactured softwood—	
(a) Clear grade on net measure	6.80
(b) Merchantable grade on net measure	4.80
Timber, n.o.r.—	C.I.F. Value
Hardwood	20%
Softwood	20%
Piling	20%
Douglas fir piling comes under the classification of "timber n.o.r." and is therefore dutiable at 20 per cent of the c.i.f. value.	
Railway ties	10%

The foregoing rates are subject to a surtax of 10 per cent of the value.

NEW ZEALAND MARKET FOR LADIES' DRESSES

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, December 1, 1935.—Repeated endeavours have been made over a period of years to introduce Canadian-made ladies' dresses to the New Zealand market, which have at last resulted in some satisfactory business and a more promising outlook for the future.

Ladies' dresses in New Zealand are usually referred to as frocks, while suits are generally called costumes. Imports are covered under an item of "apparel and ready-made clothing, n.e.i.," which includes a miscellany of articles such as men's, women's, and children's outerwear and underwear, corsets, overcoats, and bathing suits.

VALUE OF IMPORTS

The total value of apparel imported in the calendar year 1934 was £1,030,584, of which the United Kingdom is credited with £784,843, Canada £9,415, Australia £43,018, Czechoslovakia £15,195, Germany £60,822, Italy £27,006, Japan £50,218, and the United States £18,829. Many other countries participated to a lesser extent. The imports from Italy will probably be replaced by other sources of supply, to comply with the sanctions now in effect, to which New Zealand is a party.

CUSTOMS DUTIES

The rates of customs duty levied in New Zealand on apparel such as ladies' dresses and suits is 25 per cent ad valorem under the British preferential, but is 50 per cent under the general tariff. Canada enjoys the British preferential tariff on this item, but with an additional surtax of nine-fortieths of the duty otherwise payable, which is not levied on similar products of United Kingdom or Australian origin. Duties are assessed on the basis of the current domestic value in the country of origin, plus 10 per cent. In consequence, the effective rate of duty on dresses from the United Kingdom or Australia is $27\frac{1}{2}$ per cent, from Canada about 33·7 per cent (including surtax), and from foreign countries about 67·4 per cent (including surtax).

It will therefore be apparent that Canada enjoys a substantial preference over foreign countries. Australia has the advantages over Canada of being relatively close to New Zealand, and of operating on an exchange rate approximately at par with New Zealand, in addition to her manufactures being free of surtax; however, Canada has built up a reputation for dresses of good style and design, and is also favoured by the seasons being the opposite of those in New Zealand, which advantages offset those of Australia to a considerable degree. With regard to competition in dresses from the United Kingdom, Canada is on a less favourable basis as regards duty, but can now produce garments of such character as to differ from those of United Kingdom design, and to represent a distinct change which is acceptable to New Zealand merchants.

FORMER HANDICAPS TO IMPORTS FROM CANADA

In previous years several Canadian firms had tried out the market for ready-to-wear frocks and dresses, but had not persevered in the face of the competition and of the resistance offered by suitable agents and importers who despaired of accomplishing any remunerative results. Among the factors likely to prevent importation were the rates of customs duty, which favour the importation of dress materials for making up in New Zealand, as does the depreciation of New Zealand currency in relation to English sterling. The further premium of Canadian exchange over sterling was an additional barrier until it

disappeared with the approach towards parity of Canadian dollars and sterling about a year ago.

Behind the shelter of these barriers it became profitable for departmental stores and cloak and suit manufacturers in New Zealand to develop domestic production further by importing a few advance designs for copying purposes, and by importing their requirements of piece-goods for making up. General conditions were depressed, and the demand for fashionable wearing apparel lagged with the decline in income of people of average means. There continued to be some import of end-of-season job lines from London, where the larger New Zealand firms have their own direct buying representatives, and also from New York to a lesser degree. This feature is not uncommon in New Zealand, which, being in the Southern Hemisphere, is entering upon summer conditions when countries in the Northern Hemisphere are experiencing winter, and vice versa. A point which must be made in this connection is the necessity of a buyer of end-of-season lines being thoroughly conversant with the New Zealand trade and the garments, materials, and styles which will meet with ready acceptance.

NEW FAVOURABLE FACTORS

With the gradual approach of better times, the ladies have been prepared to pay more for style, and the way has been opened for some Canadian dresses which can be resold at profitable prices. Other matters bearing on this market opening are the difference in style, the wide range of materials, and variety of numbers available in Canadian garments as compared with the locally produced articles, but the greatest impetus has originated from the improvement in design and finish noticeable in products of Canadian manufacturers, with definite reductions in prices.

Then, again, while it has been found wellnigh impossible to bring in from Canada piece-goods in quantity for making up apparel, due to the demand for only short lengths and the variety of materials and designs required, and the fact that Canadian piece-goods would land at prices in excess of similar lines from other countries, mainly Japan, it is found that these same materials made up into ladies' dresses give a range of material and design, in addition to style, surpassing as well as quite different from the materials, design, and style available to the domestic manufacturer engaged in making up dresses, or even to the buyer in London of end-of-season or factory overrun lines.

DIFFERENCE IN DEMAND AS BETWEEN NEW ZEALAND AND CANADA

In order to effect suitable connections for Canadian exporters of dresses, emphasis must be laid on the first requirements of the New Zealand purchaser, which are that the Canadian exporter must be thoroughly dependable and experienced, and one in whom the New Zealand importer or agent can place implicit trust.

In other words, the essence of successful dealings is good faith coupled with knowledge of the dress business. Even then there is at times room for misunderstandings, as for instance when the New Zealand importer overlooks the fact that Canadian women's wear in winter is composed of light-weight materials, differing from summer ranges mainly in being of darker colours and in length of sleeve, whereas in New Zealand, with houses not centrally heated, there is a winter demand for heavier stuffs, and a swing to tailor-made types of suits and tweed skirts, and to knitted-wear.

Up to the present there has been little possibility of marketing the excellent knitted suits available from Canada, partly because of prices being out of line with those of domestic producers, who have progressed considerably in the

manufacture of woollen wear. There may be prospects for knitted wear and sports lines in a higher quality and price range than made in New Zealand, or varying in design, should the general improvement in conditions continue. In the meantime, it is desired to deal rather with the market for dresses of cotton, silk, and artificial silk materials.

COTTON FROCKS

There has been some market in New Zealand for imports of cheap cotton frocks in attractive designs, which was filled to some extent from lines jobbed in New York at \$5 to \$6 per dozen f.o.b. The landing charges on such foreign goods, inclusive of freight, insurance, exchange, and customs duty at general tariff rates would approximate 110 per cent of the f.o.b. value as against 75 to 80 per cent in the case of similar goods of Canadian origin. It will therefore be seen that if suitable ranges of materials and goods at even slightly higher prices than detailed are available from Canada, there may be opportunities of doing business in the cheap end of the trade.

SILK AND ARTIFICIAL SILK DRESSES

The major demand in which it is felt that Canadian firms should share to a larger degree is that for silk and artificial silk dresses of medium to low price, in the range from \$2 to \$8 each. For better-class frocks this market is small, but there may be opportunities of development when people desire and are able to afford something in a higher price range.

It should be borne in mind that a garment costing \$10 f.o.b. in Canada would land in New Zealand at the equivalent of about \$18, and with the addition of profit at the usual rate on fashion lines, would obviously have to retail in the neighbourhood of at least \$36 to allow for dresses not sold in season, unsuitable for the trade or otherwise disposed of at reduced prices.

NEW ZEALAND SEASONS

There are virtually only two main seasons in New Zealand for which goods are displayed, namely, summer and winter. Neither the spring nor fall fashion displays call for much attention, as the transition from the other seasons is not featured in the larger shops to any marked degree. This does not, however, imply that spring and fall fashions cannot be used to advantage in the various ranges of dresses.

CHIEF DISTRIBUTING CENTRES

There are four main distributing centres in New Zealand—Auckland, Wellington, Christchurch, and Dunedin—which are long distances apart. In consequence, it is costly for a representative to travel the country and to carry a line of samples unless there is a substantial prospect of financial returns. In addition, the population of New Zealand is only about 1,500,000, but the standard of living is on a relatively high scale, which makes for a larger volume of business than would be the case in most other places of equivalent or denser population.

MARKETING METHODS

The summer season in New Zealand is December, January, and February, and the winter months are June, July, and August. Wholesale firms usually complete their stock-taking by January 19 of each year, and retailers complete theirs in February. Purchasers from wholesalers by retailers after the 20th of each month are booked to the month following. In consequence, there is a considerable volume of purchasing done between the 20th and the end of each month.

SAMPLES AND DELIVERIES

Samples of goods for sale in the next following New Zealand summer are usually desired in New Zealand by agents in January/February, and are shown to the wholesalers and importing retailers in February/March/April, when orders are sought for delivery in New Zealand in August. Wholesalers may require their orders of summer goods delivered in July, to enable them to canvass their customers, but retailers prefer August/September deliveries.

Samples of goods for sale in the next following New Zealand winter are required by agents to arrive if possible in July, and are shown by them in August/September/October. Deliveries in New Zealand of winter goods are required usually in February/March for retailers, but this is dependent on the date on which Easter falls, as that season theoretically marks the arrival of winter though it is actually early autumn.

Deliveries of winter stocks to wholesalers are usually acceptable any time after stock-taking, i.e., January 20, and travellers and salesmen go on their winter selling trip on February 1. They are of course supplied with fresh samples as they come forward after these dates. Emphasis is laid on the dates mentioned being usually those in which deliveries in New Zealand are required. Exporters must allow adequate transit time and be most careful to arrange prompt shipment so as to catch the seasons.

The foregoing will show that agents make two principal selling tours of New Zealand each year, in addition to supplementary visits. It will therefore be seen that New Zealand merchants must contract a long time ahead, and likewise have to carry large stocks while awaiting deliveries from abroad. This results in the necessity for substantial mark-ups on staple lines as well as on fashion goods.

Fortunately, there is not the same degree of emulation nor of rapid change in styles that occurs in populous countries less remote from the centres of fashion. Because of the juxtaposition of seasons, and of the other features just mentioned, there is a lag of six to twelve months in the fashions of New Zealand compared with the Northern Hemisphere, which should enable Canadian firms to cater for frocks and other seasonal requirements.

BUYING ARRANGEMENTS

Some of the large importers have buying arrangements in Canada, while all have representation of some nature in London. The buyers of these firms in journeying between New Zealand and London very rarely arrange for purchases of frocks and other lines in Canada, even when their itinerary does include the transcontinental route. One reason has been the difficulty of obtaining more than what buyers regarded as a limited range from Canadian sources, but it is hoped that the steps taken in New Zealand to introduce these lines to the notice of buyers contemplating travel will result in improved purchases of Canadian products.

Furthermore, New Zealand buyers have had long association with the London market, and have complete confidence in it. Unquestionably, they purchase at times in that market goods, including dresses, of Canadian origin, but it is not always a simple matter to divert them to buying direct. The point is made, however, that whenever possible direct contact with buyers or principals visiting Canada should be made by responsible Canadian firms.

THE QUESTION OF OPEN ORDERS

One great difficulty in the dress trade arises from those buyers who wish to buy from samples and swatches, when it is usually the case that styles and

materials are changed frequently during the season, and a factory in Canada is out of production on any selected line within a few weeks of its initiation.

Endeavours are being made to induce New Zealand firms to give open orders for dresses, leaving the selection to the exporter supplying them. Some progress has been made along this line, within limits covering the total outlay, individual price, assortment of styles, colours and sizes, and delivery dates, but leaving as much ground as possible for the intelligent discretion of the Canadian firm concerned.

CHANNELS OF DISTRIBUTION

Business in New Zealand is conducted along orthodox lines, and there is more or less distinct cleavage between the various channels of distribution, which are through commission agents to wholesalers and large importing retailers, and through wholesalers to the smaller retailers. Imported ready-to-wear frocks in the medium and higher price ranges are sold to consumers by departmental stores, dry goods stores, and specialty shops, while in the lower prices up to approximately \$2.50 there are two chain-store organizations handling them extensively.

It is needless to detail the particulars of frocks made up in New Zealand, as most of the departmental stores and wholesalers of dry goods have their own establishments and there are many independent dress manufacturers, apart from a large number of small dressmaking establishments or individuals who make to order.

Imported frocks are usually ordered by the importing retailers such as the departmental stores, the superior class of specialty shops, and the chain stores at the seasons already detailed. The requirements of the smaller retailers and specialty shops, also of country shops, are largely ordered and imported by the various wholesalers of dry goods, who in some cases have also their own retail warehouse establishments.

REPRESENTATION

In view of the difficulty of making contact with a number of importers, each of whom may require only a small assortment of frocks to fill out their regular lines, it is usually much more advantageous for a Canadian firm to appoint a manufacturers' representative or commission agent who can call on all the various prospective buyers. As the agent is dependent for his remuneration on the value of the merchandise he sells, there is usually no question regarding his activity in endeavouring to sell his principals' lines. He is also in a position to provide brief reports on the credit standing of firms not already known to his principals.

TERMS OF CREDIT

In this connection it is worth while mentioning the high standard of business morality prevailing in New Zealand, and instances of loss to overseas firms are rare, provided they use the available channels for obtaining credit information, while the terms of credit are usually short. The dress business is largely done on sight draft terms, documents being surrendered on payment of draft on arrival of goods in New Zealand; and when sufficient inducement offers in the way of discount, payment by means of letter of credit or through a buying or confirming house in Canada or New York at time of shipment of goods can often be arranged.

COMMISSIONS AND DISCOUNTS

The agent of a Canadian firm becomes in effect their traveller and the commission agreed upon, usually between 5 and 10 per cent on the f.o.b. value of shipments, should be credited to the agent without fail in all cases where

orders are received for shipment to New Zealand, as in many instances, as a result of the agent's work and exhibition of samples, orders will be sent to the purchaser's buying house abroad without the details being disclosed to the agent. Substantial sample discounts are also usual in the trade, so that the agent may dispose of samples at end of season without more than marginal loss.

FULL DETAILS NECESSARY

It is generally desirable for a Canadian firm desirous of exporting dresses to provide full details of what it can offer, and an indication of average prices, dates on which samples and on which bulk orders are available, details of sizing, rate of commission, sample discount, and terms applicable to transactions.

In the nature of things, quantity orders can seldom be expected before six months have elapsed, though occasionally an earlier beginning may be made by means of cabled orders, which are often for small quantities to fill in shortages or to obtain later models or end-of-season lots. It is therefore desirable for a Canadian firm and their agent to establish a special cable code between them suitable to the business.

ATTENTION TO CORRESPONDENCE

Careful attention to correspondence is absolutely essential. The potential buyer in New Zealand has little to go on unless descriptions, sketches, and a skeleton range of frocks are available to him at the earliest possible dates. In the bulk shipments care should be taken to include as few duplicates as possible, since it may be readily understood that the New Zealand woman is no more keen than her Canadian sister to buy a smart dress and meet its counterpart on the street.

PARCEL POST FACILITIES

The attention of Canadian firms is specially drawn to the parcel post facilities existing for shipments to New Zealand. There is a despatch from Vancouver or from San Francisco every two weeks, and parcels up to 20 pounds weight each will be accepted for transmission. This is a very convenient and speedy way of shipping samples or even small bulk orders, and in the case of deliveries inland or at the smaller seaports, the parcel post system saves the cost of rail or coastal freight.

PACKING

After the first freight shipment in excess of a minimum bill of lading has been made, both the shipper and his agent in New Zealand will be aware of the average landing charges. As the ocean freight on light articles such as frocks is likely to be based on the cubic content of the container, the method of packing adopted should be such as to be economical of space as far as is possible concurrent with ensuring also that the merchandise will open up in good condition.

LINES CHIEFLY FAVOURED

The most popular summer lines consist of tennis dresses without sleeves or with short sleeves. For day and afternoon wear, ensembles with matching coat or coatee are desirable. Elaborate afternoon dresses or Sunday night supper dresses are not in demand to the extent existing in Canada. Evening dresses are much worn, and there is a general demand for what are known as bridge coats for evening wear, these being coatees or cocktail coats, often of very good quality, to match or harmonize with the evening dress.

These styles probably show some variation from Canadian wear, but are made desirable by reason of climatic and housing conditions. The climate is

dampener than in Eastern Canada, and more comparable to that of the Pacific Coast, while reference has already been made to the lack of central heating, which makes heavy stuffs popular for wear in the winter time. There is usually some breeze to be found, which encourages the use of daytime dresses with sleeves or coats, and of the bridge coats for evening wear already mentioned, and even in the summer time very trying and hot weather is infrequent. There is, however, considerable strong sunshine even in the winter months, which in the opinion of some is believed to have a deleterious effect on materials, especially artificial silks, and causes a tendency for articles to give at the seams.

It is therefore suggested that special attention be given to orders so as to ensure satisfaction from the beginning, and to arrive at a proper understanding with the agent who is endeavouring to build up repeat business.

SITUATION AS AFFECTING CHILDREN'S WEAR

As some Canadian firms who may be interested in the dress trade are also makers of children's wear, it may be mentioned that while Canadian style appeal in children's wear is good, there is severe competition from Japanese lines. Furthermore, school girls wear uniform clothing at most schools, and the demand for party frocks or daytime wear for maids and misses is reported to be extremely small in comparison to Canada. There may, however, be some minor possibilities with suitable lines that would bear investigation.

Canadian firms who are desirous of entering the New Zealand market for ladies' dresses, and who are properly equipped to do so, should advise the Canadian Trade Commissioner at Auckland, giving the particulars suggested in this market review. Samples should preferably not be submitted until definitely requested. If any present or previous agency or other connections exist, these should be specially mentioned, so that the proper procedure may be adopted to revive such connections and the utmost co-operation given by the Trade Commissioner, who is in touch with New Zealand firms desiring either agency or purchase arrangements with Canadian suppliers.

MARKET IN SCOTLAND FOR MACARONI

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, December 20, 1935.—Macaroni, vermicelli, and similar alimentary pastes were not made in Scotland until recently, when a well-known manufacturer of other foodstuffs started production. As the prices quoted by this firm are appreciably higher than those of the imported article, it seems unlikely that their share of the trade is large enough to affect the statement that the considerable market for these products is dependent upon imported supplies, mainly from France, Italy, and Canada. The United States and Australia also ship, but in very small quantities.

There are no published figures to show the imports into Scotland, the annual statement of the trade of the United Kingdom furnishing such information for the whole country and not for its various divisions. It may not be far off the mark, however, to assume that the consumption of macaroni in Scotland is, per head, the same as in England. On this basis, the following figures applying to the United Kingdom should be divided by eight to arrive at the outlet in Scotland for macaroni. It is thought that figures of quantities will be of more service than values to readers of this report.

IMPORTS OF MACARONI INTO THE UNITED KINGDOM FROM PRINCIPAL COUNTRIES

	1929	1931	1933
	In Cwts. of 112 Lbs.		
Total from foreign countries.	119,693	117,366	72,895
France	69,893	59,875	33,698
Italy	40,374	44,372	35,655
United States	5,487	7,164	2,139
Total from British countries.	2,425	7,184	29,624
Australia.	38	.....	2,537
Canada	2,209	7,106	27,065
Grand total	122,118	124,550	102,519

NOTES ON SOURCES OF SUPPLY

Several interesting facts emerge from this table, which cannot be continued beyond the year 1933, as the annual statement for 1934 has not yet been issued, and the monthly returns do not give a separate classification for macaroni.

It will be seen that while in 1929 France was by far the largest shipper of macaroni to the United Kingdom, she had dropped to equality with Italy four years later, and that Canada, with a negligible share of the trade in 1929, supplied in 1933 little less of this product than France or Italy—a fourteen-fold increase in four years. It will also be observed that in the four years there was a fall in total imports, and therefore presumably of consumption, of over 16 per cent.

Latterly a considerable part of the trade in macaroni has been diverted to Canada from Italy owing to the imposition of sanctions by the League of Nations. It is stated that there is no essential difference in quality or shapes, whether obtained in Canada, Italy, or France, and all compete on an equal basis so far as popular demand is concerned. The advantage to Canada is that the product of foreign countries pays an import duty of 10 per cent ad valorem on entering Great Britain, as against free entry from Empire countries.

Italian makers of macaroni turn out two colours, pure white and golden. The English market is said to prefer golden, but, curiously enough, the Italian residents of Scotland seem to differ from their compatriots in the south and ask for pure white.

PACKING

Macaroni reaching this market is put up loose in 28-pound boxes and packets, cases containing twenty-eight 1-pound packets and fifty-six $\frac{1}{2}$ -pound packets, the principal demand being for loose and 1-pound packets. Most of the bulk shipments are from Italy. Imports from France are largely packet macaroni; the most popular brand is "Savoy." This brand has been largely advertised and the packets included gift coupons. While this is no longer the case, the brand is still much in favour.

CANADIAN PRICES

Canadian macaroni is at present quoted at about 23s. 6d. c.i.f. for bulk and 27s. c.i.f. for 1-pound packets. Stocks of certain brands of Canadian macaroni are carried in Glasgow and Leith by the manufacturers, and are sold on their account by local commission agents. It is anticipated that there will be a greater demand here for the Canadian product owing to the enforcement of sanctions.

BRITISH TRADE FAIR, SINGAPORE

B. C. BUTLER, ACTING TRADE COMMISSIONER

Singapore, November 21, 1935.—At the fifth annual British Trade Fair, Singapore, which is to be held from May 1 to May 9, there will be a special Canadian section. Exhibits in this section are to consist of Canadian products currently represented and sold in British Malaya. The success of the venture will depend upon the support given it by both Canadian exporters and their agents in this country. A number of Malayan agents of Canadian firms have signified their desire to participate even before they have consulted their Canadian principals. Others are willing to take part provided their Canadian principals are prepared to co-operate.

The fair is held in an amusement park, the Chinese management of which have set aside a large area for exhibitions of this kind, and some 200 stall shells will be provided for the 1936 fair. Space is given free, and light and water are also provided by the management.

The Canadian section will occupy a block of stalls on two sides of a roadway. The general exterior decorations and lighting will be taken care of by the Acting Trade Commissioner at Singapore, working in co-operation with the Canadian Exhibition Commissioner in London. Uniformity of appearance will thus be assured, and exhibitors will not be put to any expense except for the interior fittings of their stalls and the arrangement of the actual goods on display. The import firms acting as agents for Canadian exhibitors will assume these latter responsibilities, and since stocks for display are in almost every case already in Singapore, Canadian exporters need supply their agents only with appropriate posters, dummy counter displays, samples either for sale or free distribution, literature, catalogues, etc.—materials generally used for exhibitions in Canada and elsewhere.

CANADIAN TRADE WITH BRITISH MALAYA

Canada's trade with British Malaya has shown a marked increase in the past two years. Imports more than doubled in 1934, totalling \$1,350,000. Malaya's exports to Canada almost trebled in 1934 as compared with 1933, the total value for the latter year being \$3,370,000. The growing importance of Canada as a buyer of Malayan products should favourably influence Canadian sales. Moreover, many of the export firms here are also importers and general merchant houses, and such firms are naturally inclined to give special considerations to Canadian offers when their sales to Canada are on the increase.

IMPORTANCE OF THE FAIR

The proposed Canadian section at this fair should provide a valuable advertising medium. In this part of the British Empire, Canada and Canadian products are still only vaguely known to the general public. It is true that the large British and European importers are now familiar with Canadian goods, but the Chinese business men do not yet look upon Canada as a source of supply for many products they are regularly buying from other countries. The population of British Malaya is approximately 4,500,000, of which almost 2,000,000 are Chinese (Singapore 572,000, of which 430,000 are Chinese).

These figures demonstrate the importance of the Chinese population to the Malayan market and how desirable it is to bring Canadian products more prominently to the attention of the Chinese business men. The attendance at the British Trade Fair held in May, 1935, was roughly 225,000, of which the

majority were Singapore Chinese of all classes, including representatives of the Chinese business community.

TIME LIMIT FOR RESERVATIONS

On account of the distance from Canada, exporters should advise their agents by cable of their intentions and the degree of assistance they can offer. The time limit for making space reservations expires on January 31. Display materials must leave Canada not later than the first week in March. The Acting Trade Commissioner, who is on the organizing committee of the fair and in charge of the special Canadian section, will render any assistance to Canadian firms or their agents in this territory.

FROZEN BERRIES IN BRITISH MALAYA

B. C. BUTLER, ACTING TRADE COMMISSIONER

Singapore, November 28, 1935.—A small but steady market has grown up in this tropical country for frozen berries from the temperate zone. There would probably be a small sale for all varieties, but to date only strawberries have been tried, and this report therefore deals only with that fruit.

The demand comes mainly from the relatively small number of European residents, which is about 20,000 in a total population of 4,500,000. To this should be added a number of the better-class Chinese and Eurasians who, though locally born, readily acquire a taste for such delicacies. An estimate might place this total at 50,000, making the total potential market about 70,000. In addition, Singapore is an important shipping centre, and ships' supplies are an important outlet for all classes of foodstuffs imported into this city.

There is only one worth-while outlet for frozen strawberries and other refrigerated supplies, a large cold-storage company with head office and warehouses in Singapore and branches and depots in all important centres of British Malaya. This firm have regularly been buying these supplies from the United States but would be interested in quotations from Canada.

This one firm purchased some 9 tons of strawberries in 1933, 12 tons in 1934, and for the year 1935 their requirements will possibly run into 20 tons. This is an indication of how rapidly the taste for frozen strawberries has developed in this country, and there is room for further extension of the trade.

PACKING

The most satisfactory container is the 30-pound tin pail. Paper pint and quart waxed cartons have been tried, but as the stocks are kept in cold storage here for several months before they are disposed of, these have been found to impart an unpleasant flavour to the contents. Moreover, there has been a tendency towards mould development after a considerable period. Packing in 50-gallon or larger barrels is quite unsatisfactory for the size and class of business offering in Malaya. The demand is almost entirely for household consumption. There are few bakeries or confectioneries in this country, and their requirements are unimportant.

The 30-pound pails are removed from cold storage in Singapore as required, and the contents are repacked into pint milk bottles and sealed with the standard paper milk-bottle cap. From one 30-pound pail about 18 pint bottles are obtained. This packing is highly satisfactory to the consumers since it is easy to keep in refrigeration, and to the import firm it offers no difficulties since they operate a dairy farm in Singapore and require milk bottles in any case for the distribution of their milk.

The price paid for a recent shipment of 30-pound pails was equivalent to approximately \$3.60 (Canadian) per pail c.i.f. Singapore. This is for 3 plus 1 graded supplies, the quality in demand here.

ROUTING

Shipments by refrigerated space may be routed from the East Coast by steamers of the Java-New York Line or the combined service offered by the Prince and Silver Lines. From the West Coast shipments may be routed by the C.P.R. steamers for transshipment at Hongkong to K.P.M. or at Manila to the K.P.M. or Dollar Line. Direct refrigerated service from Vancouver is offered by the Silver-Java Pacific Line. The several steamship agents will gladly furnish full particulars and rates.

Interested Canadian exporters should submit full particulars of grading and quality with prices c.i.f. Singapore for packing in the required 30-pound pail to the Acting Trade Commissioner at Singapore.

HONGKONG ADOPTS A MANAGED CURRENCY

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

Hongkong, December 10, 1935.—The decision of the Hongkong Government to manage its currency is a logical sequence of legislation passed in dealing with the monetary situation in the colony. (See reports in *Commercial Intelligence Journal* No. 1642 (July 20, 1935), and No. 1664 (December 21, 1935).)

With the colony's currency latterly divorced from silver and at the mercy of speculators, a serious situation had been created, one which made legitimate business operations extremely difficult if not impossible.

At the present time the dollar is not stabilized, the Government being disposed to adopt a cautious attitude before reaching any final decision on that point. There are numerous factors which dictate the necessity of caution at this juncture, not the least important of which is the comparative uncertainty of China's future monetary policy.

The colony's economic relationship with China is so close that a precipitate step in the matter of stabilization might easily have disastrous consequences. But if no definite exchange value has been placed on the dollar, the Government will now, for the first time, be in a position to remove the danger of wide fluctuations. This it will accomplish through the secret operation of the Exchange Fund, either by buying or selling. It will be possible for the note circulation, after calling in of all silver, to be expanded or contracted as may seem desirable, against certificates backed by the assets of the Exchange Fund and the responsibility of the Government.

TERMS OF THE ORDINANCE

In brief, Hongkong will, as long as the Currency Ordinance of 1935 is operative, have a managed currency just as China has, although the economic bases are different. The ordinance, which is dated December 6, provides for the establishment and management of an Exchange Fund, under the control of the Colonial Treasurer. All silver coin or bullion held as deposits against the note issues of the three banks of issue is to be surrendered and paid into the Exchange Fund in return for the issue to the banks of certificates of indebtedness of the Hongkong Government.

Silver must also be surrendered to the Colonial Treasurer by every person holding British dollars, Mexican dollars, Hongkong subsidiary silver coin, or silver bullion to an amount exceeding the value of ten Hongkong dollars, payment to such holders to be made, for coin, in Hongkong currency at the face value, and

for bullion at the rate of 128 cents per fine ounce. The silver so surrendered shall be paid or transferred into the Exchange Fund.

The fund may be held in the form of Hongkong currency or in any other currency, or in gold or silver, or in approved securities. All bank notes of the three banks of issue shall be legal tender in the colony to any amount, and any liability to pay silver currency may be discharged in such notes.

STABILITY ASSURED

The steps taken have of necessity been under consideration for some time: such a scheme could not be put into operation at a moment's notice. But, with the advice of bankers, the Government had reached a conclusion that the time was ripe for action. Obviously, the Government would not embark on the scheme without full confidence in its ability, in co-operation with its advisers, to fulfil the objects for which it has been designed. In this regard, the measures have been drawn up with meticulous care, and there seems no reason to fear that Hongkong currency will not henceforth be kept under strict control. The value of the dollar will now be decided by the Government, and not, as hitherto, by the operations of interested speculators.

The principal benefit of the reform is in the stability afforded and in the counteraction of the deflationary tendency vis-a-vis China. The colony's currency persistently tends to appreciate against China's: the recent rates are significant. To reduce this "fictitious" premium alone is sufficient justification for management. This will facilitate the maintenance of a true rate with the currency of China, though that rate vary.

The opinion of the local business community is that this legislation will materially benefit the trade of the colony, and tend to eliminate the element of speculation, which has been the most serious and disturbing factor in the past.

GERMAN MARKET FOR FISH PRODUCTS

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

(R.M. is approximately equal to Can.\$0.40)

II

Notes on Individual Commodities

Market conditions affecting the principal commodities included in the Canadian trade with Germany in fish and fish products follow:—

FISHMEAL

Germany is a large consumer of fishmeal of all types, total annual requirements of which amount to approximately 150,000 metric tons. Of this amount about 100,000 tons are imported, the balance being supplied by local plants. The total production in Germany during the twelve months ending October 31 last was approximately 60,000 tons, although the annual capacity of producing plants is considerably in excess of this amount. Official action has been taken recently to prevent further unnecessary expansion of this branch of the fish industry, which has been unable to obtain sufficient raw material for the production of fishmeal at competitive prices.

IMPORTS

In 1934, German imports of fishmeal reached the abnormally high figure of 132,027 metric tons. The bulk of this quantity was supplied by the following

countries: Norway, 51,171 tons (R.M.8,058,000); Japan, 46,525 tons (R.M.6,-293,000); United States, 8,179 tons (R.M.1,262,000); United Kingdom, 7,734 tons (R.M.1,364,000); Iceland, 4,229 tons (R.M.638,000). Canada's share of this trade amounted to 1,320 tons (R.M.245,000) as compared with 1,433 tons (R.M.280,000) in 1933.

Imports of fishmeal into Germany during the first nine months of the current year totalled 80,596 tons, the corresponding figure for 1934 being 105,982 tons. Imports from Norway and other countries with which "clearing" agreements exist have been well maintained, although purchases from Canada and the United States, for example, have been adversely affected by the foreign exchange situation.

GRADING AND SUPERVISION OVER IMPORT TRADE

Early in the year action was taken by the German authorities to establish specified grades of fishmeal in order to facilitate control over prices and conditions under which fishmeal could be imported and sold in Germany. Strict supervision over the import trade now provides for the monthly allotment of quotas to importers on a basis of their imports during the corresponding months in the years 1933 and 1934. It is only in rare instances that the maximum quantity applied for is granted, while permission to import depends on price, country of origin, and method of payment.

As a result, a reduction in imports estimated at 25 per cent of the average of the last two years has been effected. In consequence the market is now very strong and could absorb much larger quantities than are available. The extent to which further imports may be allowed depends upon arrangements which can be made for payment in individual cases, although it is unlikely that further reduction in foreign purchases could be safely made on account of the importance of fishmeal in the live stock production "plan."

Business at the moment is confined largely to Norwegian Westland herring meal with periodic transactions in white fishmeal from the United Kingdom, while permits for the importation of Portuguese sardine meal are reported to have been granted in excess of the actual fishmeal production in that country. No permits are being granted for Japanese sardine meal, while only a few small shipments from California are reported to have been arranged through barter transactions.

The following table shows prices recently approved by the Government for the purchase of recognized grades and types of fishmeal. These are c.i.f. Hamburg and, in addition to the constituents given below, are understood to allow for a maximum 2 per cent sand and 0.2 per cent ammonia content.

*Approved Prices for Fishmeal Imported into Germany**

(NOTE.—Figures indicate percentage of content)

	Cod Meal		Fishmeal	Norwegian Herring Meal		Sardine Meal
	Air-dried	Steam-dried		North Coast	West Coast	
Albuminoids, minimum	50	60	55	55	55	55
Phosphate of lime, minimum . . .	18	18	15	8	8	8
Salt, maximum	3	3	5	3	8	3
Fat, maximum	3	3	8	12	10	10
Moisture, maximum	14	12	12	12	12	12
Approved c.i.f. Hamburg price..	215	£12	£10	175		..
	Norwegian kr. per metric ton	per long ton	per long ton	Norwegian kr. per metric ton		

* The current value of the Norwegian Crown is approximately \$0.25.

In addition to the above, a price of £11 5s. has been approved for second-grade cod meal with a maximum 5 per cent fat content.

Canadian sales of fishmeal in this market have consisted largely of white fishmeal from the Atlantic Coast, this article having been very popular with the import trade. Small and occasional shipments of pilchard meal from the Pacific Coast have also been made. Both of these types could undoubtedly and under normal circumstances be sold in this market in substantial amounts, while even now, with a more favourable ratio available than in the case of most commodities (probably 1:1), the opportunity of arranging barter business is of some interest.

FISH OIL

Germany has been traditionally dependent on foreign sources for the bulk of her requirements of fish oils of all types for hardening as well as for technical purposes. The shortage of oils and fats constitutes to-day one of Germany's greatest food and general economic problems. During the past few years every effort has been made to stimulate the output of oil products which might eventually enable a reduction in foreign imports of fats required for human consumption.

IMPORT CONTROL

In 1933 the Government formed a monopoly empowered to control imports, distribution, and utilization of all oils and fats of animal and vegetable origin, and, as a result of strict adherence to a policy of tariff protection coupled with price stabilization in such branches of agriculture as dairying and live stock, some slight progress towards self-sufficiency in the matter of oils and fats was effected. Increasing foreign exchange difficulties, however, and increased demands for human and industrial consumption have interfered seriously with the operation of the "Fat Plan."

STATISTICAL POSITION

Decreased imports of oilseeds, required for the manufacture of vegetable oils as well as feeding stuffs, have led to a relaxation of restrictions against the importation of fish oils and Germany's purchases during the first nine months of the current year increased to 190,458 metric tons (R.M.31,794,000) from 51,802 tons (R.M.8,771,000) as imported during the same period last year. During the period of restriction, total foreign sales of fish oils to Germany declined from 234,701 tons (R.M.59,593,000) in the year 1932 to 150,780 tons (R.M.36,777,000) imported during 1934. It is to be expected, however, that until foreign exchange conditions are improved no further reduction in imports of fish oil will be attempted.

CANADIAN SALES

Canadian sales of fish oil to Germany were recorded in German import statistics for the first time in 1933 as amounting to 4,858 metric tons valued at R.M.1,034,000, and for 1934 are given as 797 tons valued at R.M.139,000. The German trade returns make no distinction between fish oils for industrial purposes and those used by margarine factories and other manufacturers of edible oils.

It may be assumed, however, that recent Canadian trade has been comprised mainly of pilchard oil from the West Coast, imported for hardening purposes, which shipments have been credited in the Canadian trade returns to countries of transshipment such as the United Kingdom and the Netherlands. In addition to pilchard oil, some small shipments of Canadian dogfish oil in drums are also believed to have been made to this market.

The bulk of the imports of unhardened fish oils consists of whale and herring oil from Norway, the United Kingdom and Japan also supplying large quantities of the former type. A clearing arrangement with Norway and free foreign exchange for the two other countries permits a continuation of their business with Germany.

Prices now being obtained by Japanese shippers are much above last year's quotations, amounting to £17 per ton c.i.f. Hamburg for sardine oil in drums of about 400 pounds each, with a maximum allowance for free fatty acid of 3 per cent. Canadian pilchard oil of a light colour and minimum content of unsaponifiable matter in bulk or in drums would find a ready market in Germany if the means of payment could be found. The ratio established in the case of barter transactions with Canada would probably be 1:1.3, all prices as usual being subject to the approval of the monopoly office.

SALMON CAVIAR

In 1932 a favourable rate of customs duty (R.M.20 per 100 kg. or \$3.60 per 100 pounds) was established for salmon caviar imported into Germany from Soviet Russia, this rate being also available to most-favoured-nation countries, including Japan, the United States, and Canada, which had made similar arrangements with the German Government with regard to the identification of salmon roe.

The following summary of German imports of salmon caviar during the past three years illustrates the development of this trade:—

German Imports of Salmon Caviar, 1932-34

	1932 Lbs.	1933 Lbs.	1934 Lbs.
Soviet Russia	23,360	93,450	25,570
United States . . . . .	.....	21,160	57,070
Japan . . . . .	.....	18,290	5,730
Canada . . . . .	.....	.....	3,080
Total imports	23,360	132,900	91,450

Annual imports now approximate to 100,000 pounds, the total during the first nine months of this year having reached 74,500 pounds as compared with 57,760 pounds imported during the same period in 1934. It is rather doubtful, however, if as large quantities as usual will be shipped to Germany during the current season, since the United States is now practically unable to sell its product here as a result of the application of a prohibitive rate of duty as from October 15 last, consequent on the abrogation of part of the United States—German treaty. Few quotations have been made by Soviet Russia to date, while it is most unlikely that Japanese exporters will be able to develop their business to any great extent.

PROSPECTS FOR CANADIAN SALES

Under these conditions the outlook for Canadian trade this year is a good one. Provided always that the quality of the caviar is satisfactory and that suitable means of payment can be arranged between buyers and sellers, Canadian shipments of this commodity during the next six months may undergo considerable expansion.

Trial shipments made last year by one Canadian firm were reported to be quite satisfactory, although somewhat below the standard which United States exporters have been supplying for the past two years. There is a distinct preference for small hard roe, in the preparation of which the eggs should be doubly washed in brine, well sieved by hand, dried and then resalted, so as to leave as little moisture as possible in the finished product prior to packing for shipment.

PACKING

Wooden containers holding 55 and 110 pounds and lined with paraffin or non-absorbent parchment have been used by Russian and United States packers, although tin containers of about 40 pounds capacity are equally acceptable. Shipment should be made under refrigeration at a temperature slightly below freezing.

PRICES

Recent offers for salmon caviar by United States firms for transit business have ranged from U.S.\$0.17-U.S.\$0.23 per pound c.i.f. Hamburg, depending on quality. It is believed that, for a well-prepared product, import permits under barter transactions might be granted at a price of about 22 cents per pound. Since caviar cannot be classified as a necessity, the barter ratio acceptable to the German authorities would be 1:1.5, foreign exporters being required to provide 50 per cent free exchange over and above the value of their shipments of salmon caviar to Germany.

INTEREST IN OFFERS FROM CANADA

The Hamburg office is in receipt of an inquiry from a well-established firm of caviar importers who have expressed a keen interest in offers from Canadian exporters of this article. Any exporters who are in a position to arrange payment in the manner suggested above, and who could make shipments by February or March next, may expect a ready response to any proposals relative to business and should not fail to furnish c.i.f. Hamburg quotations and samples to this office at the earliest opportunity.

MILD-CURED OR SALTED SALMON

Germany offers a large market for mild-cured or salted salmon, which is imported into this country for domestic smoking. Total imports in the year 1934 amounted to 3,055,468 pounds valued at R.M.1,453,000, the bulk of this trade being of Canadian and United States origin. These imports amounted to 1,362,690 pounds (R.M.632,000) and 1,183,644 pounds (R.M.512,000) respectively. Other suppliers of mild-cured salmon include Japan and Soviet Russia, as well as certain European countries such as Denmark, Sweden, and Norway, whose product found a market here last year when the trade from other sources was abnormally restricted.

Statistics for the first nine months of the current year show imports into Germany of only 1,008,350 pounds of salted salmon as compared with 2,439,612 pounds during the corresponding period of 1934. Of the quantity imported to date this year, Canada has supplied 587,200 pounds and the United States 303,000 pounds, all of which business has been arranged through barter or similar transactions. It is probable that Canada's participation in this trade is much larger than the above figures indicate owing to the shipment of considerable quantities of Canadian salmon by United States export firms.

IMPORT DUTIES AND MARKET PREFERENCES

Salted salmon is dutiable on importation into Germany at R.M.3 per 100 kg. (54 cents per 100 pounds), this rate applying to all countries. The chief demand is for Red King salmon in 80-130 sides to a tierce of 825 pounds net, although there is still a fair market for sizes of 50-70 sides to a tierce required particularly for Christmas and other holiday seasons. The market is also interested in White Kings and Silversides, although, due to paler colouration,

lower prices are realized for these types. Local buyers prefer cured sides, free of fins, involving a minimum wastage.

Attempts to satisfy the demand for mild-cured salmon through the substitution of dyed coal-fish have to date proved unsuccessful. It is to be expected, moreover, that, despite a temporary falling-off in this trade owing to exchange and similar restrictions, the German market will still remain a valuable outlet for this commodity.

FROZEN SALMON

German import statistics include frozen salmon under the general heading of "fresh-water fish, fresh or frozen." It is accordingly impossible to determine the precise quantities of this product which are imported into this market. Canadian trade returns, however, show exports to Germany in the calendar year 1934 of 916,000 pounds valued at \$11,692. In March, 1933, frozen salmon, previously admissible free of duty, was subjected to a duty of R.M.60 per 100 kg. (equivalent to about 11 cents per pound). This has naturally made subsequent business difficult, although a demand still exists for limited quantities for the hotel and restaurant trades.

PRINCIPAL VARIETIES SOLD

Canadian frozen salmon competes with Rhine salmon, 90 per cent of the shipments being sold as fresh fish through wholesalers catering to high-class consumers. The principal varieties of frozen salmon imported from Canada have been Steelheads and Red Springs from the Pacific Coast, the former round frozen and the latter generally dressed. Frozen salmon is also shipped to this market from the Pacific Coast of the United States.

Since the imposition of the duty referred to above, the import trade has favoured the purchase of frozen dressed salmon in preference to the round frozen types, trade in which now involves a heavy loss in duty paid on heads, tails, and fins. Shipment is made in boxes of 100 pounds, the popular sizes weighing 8-12 pounds each.

TRANSACTIONS BY BARTER

While no expansion of the market for frozen salmon in Germany can be expected, it is thought that purchases by German firms, in spite of the adverse rate of duty, could be maintained if payment facilities were available. For private barter transactions a ratio of 1:1.3 applies, Canadian shippers being required to provide foreign exchange to German exporters over and above the value of Canadian shipments of frozen salmon to Germany to the extent of $33\frac{1}{3}$ per cent.

FROZEN EELS

During the past few years Germany has offered the largest individual market for the annual catch of eels from Quebec and the lower St. Lawrence. These are imported in a frozen condition for smoking in local plants. German statistics of imports cannot be segregated from other types of fresh and frozen fish, although the Canadian trade returns show exports to Germany in the calendar year 1934 of 329,500 pounds valued at \$26,926. These figures represent a serious decrease from 1933 totals of 689,600 pounds and \$48,471.

The loss of this business may be ascribed not only to diminished means of payment available to German importers, but also to the imposition of customs duties on eel imports in March, 1933. The tariff is now designed to allow eels in a frozen or fresh state to be imported between November 30 and May 31 of

the following year at a rate of R.M.10 per 100 kg. (\$1.80 per 100 pounds) as compared with a prohibitive rate of R.M.60 (\$10.90 per 100 pounds) applying during the balance of the year.

MARKET PREFERENCES

The German market is chiefly interested in frozen eels of less than 3 pounds individual weight, to be shipped in boxes of about 100 pounds net capacity. Larger sizes are not in general demand. A continuation of the business which Canadian shippers of eels have enjoyed may now only be assured by private transactions involving the export to Canada of an equivalent or greater value of German goods. Under such conditions, reliable and established shippers will still find a market for this article.

CANNED LOBSTER

Canadian canned lobster has always been in popular demand among well-to-do German consumers, although in recent years exports to this country have been severely handicapped by the very high rates of duty applying to this product. The duty on canned lobster now amounts to R.M.800 per 100 kg. (\$145.30 per 100 pounds), at which rate it is obviously impossible for a satisfactory volume of business to be carried on. There is, however, a lower rate of R.M.300 per 100 kg. (\$54.50 per 100 pounds) for "spiced" lobsters, which permits the importation of limited quantities of this article.

The acute competition offered in recent years by Japanese crabmeat has also affected the local demand for Canadian lobster. At present this crabmeat is assessed at R.M.45 per 100 kg. (\$8.20 per 100 pounds). Moreover, free exchange is granted for Japanese crabmeat as for all other fish products from that country, whereas imports of canned lobster from Canada can only be effected through barter arrangements on a basis of 1:1.5.

IMPORTS

In 1934 imports of canned lobster into Germany from Canada and Newfoundland amounted to approximately 26,240 pounds (R.M.38,000), of which Canada supplied 17,860 pounds (R.M.27,000). Against this, Germany's total imports of crabmeat amounted to 829,960 pounds (R.M.595,000), of which Japan and Soviet Russia supplied 635,700 pounds (R.M.452,000) and 194,260 pounds (R.M.143,000) respectively.

PACKING AND PRICES

Retail sales of canned lobster by high-class shops consist chiefly of $\frac{1}{2}$ -pound flats, although the hotel and restaurant trade is also interested in good-quality pack in 1-pound flat tins. Current retail prices for the Canadian product in Hamburg shops are R.M.6.25 and R.M.3.90 (about \$2.50 and \$1.56) for 1- and $\frac{1}{2}$ -pound tins respectively. The prices asked for corresponding sizes of Japanese crabmeat are R.M.2.50 and R.M.1.30 (\$1 and \$0.52).

Under such conditions it cannot be expected that sales of Canadian lobster to this country will show much improvement, although firms in a position to arrange individual barter transactions with their German connections will find it possible to at least maintain contacts, although with a reduced volume of business.

CANNED SALMON

Imports of canned salmon into Germany are subject to a rate of duty of R.M.75 per 100 kg. (\$13.60 per 100 pounds). This exercises a severe restriction on the volume of trade in this article. The total value of imports cannot be accurately ascertained, although total imports of "canned fish" (including canned salmon) from principal suppliers during the year 1934 were as follows: Soviet Russia, R.M.40,000; Japan, R.M.24,000; United States, R.M.13,000; Canada, R.M.1,000. In former years Canada's trade in canned salmon has been much higher, amounting in 1930 to as much as R.M.75,000. Latterly, competition from Japan and Soviet Russia has been keen, and due to exchange regulations favouring purchases from these countries, restricted demand has been largely met by shipments from these sources.

DEMAND AND PRICES

The demand is essentially for pink salmon in 1-pound tall tins, although small quantities of sockeye salmon are also imported. Current retail prices for Japanese pink talls approximate to R.M.1.25 (\$0.60). As a result of its generally recognized superiority in quality, Canadian salmon of the same grade would find a small market if it could be imported into Germany, in spite of the fact that quotations c.i.f. Hamburg are to-day approximately 2s. per case above those quoted by Japanese shippers. Payment for canned salmon from Canada can only be effected at present by barter transactions on a basis of 1:1.5.

OTHER CANNED FISH

The German customs tariff applying to most varieties of canned fish presents the greatest obstacle to Canadian sales of such goods in this market. Canadian sardines and canned mackerel fillets, for example, are dutiable at R.M.75 per 100 kg. (\$13.62 per 100 pounds), which forces Canadian prices above the level of those from many other sources. In the case of sardines, a special treaty rate of R.M.30 per 100 kg. (\$5.45 per 100 pounds) is available to French, Portuguese, Spanish, and Norwegian products (*clupea pilchardus* and *clupea papalina*) and permits considerable business to be done in these types and origins.

The present position of the German fish canning industry additionally, as a result of heavy investments in plant and equipment during the past few years (to meet the demand for certain preserved fish foods such as anchovies, roll-mops, etc.), also militates seriously against sales of all these types from Canadian sources, and there are few grounds for the hope that the early future will see any alterations in this situation.

SUMMARY

The foregoing statement presents a summary of the current situation in the German market for fish products and of the opportunities available to Canadian exporters of these commodities. It is considered desirable nevertheless to summarize the position, firstly by reference to the unusually good outlook for business in salmon caviar and the prospect of reasonable maintenance of that in mild-cured salmon, frozen eels and salmon, fishmeal, and fish oil; and secondly, by a reiteration of the requirement of the German authorities that sales to this market may only be made when equal or larger purchases of German products have previously been arranged by Canadian exporters of fish products or their associates. This factor demands before all others the attention of Canadian firms desirous of selling their products in Germany.

COMMERCIAL POLICY OF ROUMANIA

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

Cairo, December 12, 1935.—The commercial policy of Roumania since 1932 is the result not only of the repercussions of the world economic crisis, but of adverse conditions in Roumania itself, following the failure of the cereal crops of 1927 and 1928, which brought about serious economic and financial difficulties.

HISTORICAL SUMMARY

Depressed conditions prevailed in 1930 and, together with the adverse balance of payments, resulted in a considerable outflow of foreign bills of exchange.

In order to satisfy the demands of trade and industry, the discount rate at the National Bank was reduced on April 1, 1931, from 9 to 8 per cent, and on March 4, 1932, to 7 per cent.

Credit had by then become very restricted owing to lack of confidence, while loans from abroad, which were urgently required for agriculture, industry, and public works, were not forthcoming. The reserves of gold and foreign exchange decreased. There were heavy withdrawals of capital from the country, home capital being converted into foreign currency due to the fear of inflation or devaluation of the lei in order to relieve the burden of debt paralysing the country. The budget of 1931 had shown a deficit of 5,000 million lei, and state revenues were rapidly decreasing.

The crisis having become acute in industry, finance, and trade, the Government was forced to intervene during the first half of 1932 by adopting legislative measures, the first of which regulated all dealings in foreign exchange. This was followed by a scheme of exports "in compensation," the conclusion of clearing agreements with several countries, and the imposition of quotas on imports. Modifications in the regulations have been so frequent since the introductory measures that the effect upon trade has been extremely discouraging.

EXCHANGE RESTRICTIONS

The measures taken to regulate the trade in exchange (foreign bills, etc.) were meant to ensure, in the general interest, a concentration at the National Bank of Roumania of all the foreign exchange resulting from the effort to maintain a favourable balance of trade, with a view to securing monetary stability and to enable payments abroad to be made in accordance with requirements and circumstances.

Under the first regulations (May, 1932) all sales or purchases of cheques, acceptances, available balances of accounts in foreign money, cheques of all kinds in foreign currency (gold coin, ingots, or banknotes) were henceforth to be made only by and through the National Bank, which was thus given a practical monopoly over all foreign exchange transactions. Subsequently private banks were authorized to deal in these transactions, under the control, however, of the National Bank.

By way of exception and for certain imports, the National Bank authorized payments by compensation; such imports could be paid for direct with the foreign currency resulting wholly or partly from an export.

These restrictive measures were rendered more severe under later legislation.

LAW OF 1932

In October, 1932, a new law was promulgated, followed by several decrees, which resulted in delay in obtaining foreign exchange for the payment of im-

ported goods. This law gave the Government power to control or restrict foreign exchange transactions for a definite or indefinite period, this decision being carried out by the National Bank in agreement with the Union of Chambers of Commerce and Industry, and penalties were enacted against all those who carried on a trade in foreign exchange contrary to law.

In April, 1933, it was decreed that all foreign exchange resulting from the export of Roumanian goods should henceforth be turned over to the National Bank, which was to distribute it in accordance with the needs of the state, industry, and commerce.

During the course of 1933 traders had to overcome increased difficulties in respect to import permits and the restrictions on the remittance of foreign exchange, trade being hindered by the lack of security in regard to payments. The payment of large sums owing both by the state and by private concerns, as well as all debts outstanding from 1932, was postponed. In August, 1933, the Minister of Finance was authorized to take measures to prevent the transfer of all sums due abroad by the state or state commercial institutions, but these regulations were not strictly enforced, payments being effected abroad for new orders of materials.

As from March 15, 1934, the National Bank decided to try out an arrangement whereby some of the principal banks were permitted to buy and sell foreign exchange at the rates fixed by the National Bank.

By the middle of 1934 it was evident that there was an acute shortage in the foreign exchange available at the National Bank for meeting the various requirements, and prolonged delays were anticipated in the payment for imports into Roumania. Restrictions placed on the export of grain, due to the reduced crops, resulted in a shortage of sterling, the National Bank depending to a considerable extent upon the exchange derived from the export of cereals.

Under a decree dated December 8, 1934, the import certificates forthcoming from the export of petroleum, cereals, and lumber were to be delivered to importers only against remittance of 10 per cent of the value of the certificates in order to ensure the foreign exchange necessary to pay for the imports. The remittances were to be effected as from November 1, 1934, and credited directly to the National Bank into an account called "fund for the financing of exports" destined exclusively for the payment of a basic premium of 6 per cent of the f.o.b. value of the exports of petroleum, cereals, wood, and their products. This premium was to be paid beginning January 1, 1935, and additional premiums were to be paid for the export of cereals and lumber out of the fund constituted at the end of April, 1935, from the proceeds of the import quota tax. These measures have led up to the present policy in respect to the encouragement of exports.

Under the present new import régime, which was brought into force on June 11, 1935, all foreign exchange resulting from exports must continue to be turned over to the National Bank at the legal parity (official rate of exchange) for each currency respectively. The National Bank pays to exporters premiums varying from 10 to 40 per cent of their value on the principal exports of the country at the same time as the counter-value in foreign exchange which is transferred to the bank.

These export premiums are compensated by means of the payment by importers, and by all those purchasing foreign exchange for payment abroad, of a premium of 44 per cent above the value of the foreign exchange obtained by them, calculated at legal parity, except in the case of goods originating from Austria, Hungary, and Poland, with which Roumania has concluded private exchange compensation agreements.

Further details regarding the present system are given under the heading "Control of Imports." (See tariff item on page 90 of this issue.)

EFFECT OF EXPORT PREMIUM

It is expected that the export premium, which is in reality a special tax on imports, will result in a considerable increase in the cost of living. The institution of this system has also been interpreted by traders as an admission of the fall in the value of the leu, which, at the time the system was instituted last June, was quoted at 930 lei to the £ sterling, as against the official buying rate of 491 lei per £.

Applications for exchange must be filed by local importers with the National Bank through an authorized private bank, 44 per cent above the official rate of exchange being charged. The bank only allows the transfer of foreign exchange after the lapse of 90 days from the date of clearing inwards, and a longer delay may occur.

The importation of goods may be effected only upon the presentation of permits delivered by the Ministry of Commerce and Industry, and these permits must bear the visa of the National Bank before the necessary foreign exchange may be granted.

The only sure basis for the export of goods to Roumania at the present time is cash before shipment is effected.

CONTROL OF IMPORTS

The system of control first introduced in Roumania with the object of obtaining foreign exchange could not greatly affect the country's foreign trade. Imports continued on a substantial scale, but the payment for imports brought about difficulties in proportion to the supply of foreign exchange available at the National Bank.

QUOTA SYSTEM

In the course of 1932 restrictive measures adopted in other countries were found to be seriously affecting Roumania's exports, and the Government decided in November to take similar measures, and the import restrictions known as the import quota system came into force at the beginning of 1933. It was introduced as a temporary and exceptional expedient designed to stimulate exports rather than to reduce imports.

At first the quotas were applied only to a limited number of commodities, in particular those imported in large quantities; they could only be imported on the basis of a permit issued by the Ministry of Commerce and Industry. A special commission was set up to suggest what commodities should be subjected to quotas, to fix the quantity of each commodity which might be imported and to regulate the distribution of these quantities amongst the exporting countries and the importers.

GRADING OF QUOTAS

The quotas were so graded as to discourage as much as possible the import of goods in the luxury class. Only imports of raw materials necessary for industry as well as goods necessary to fill the normal requirements of trade were authorized. In no case were the imports of these products to exceed the imports previously made by any importer in December, 1931, and January, 1932. Importers were required to submit their applications for import to the Central Office created with the object of distributing the quotas.

By the end of June, 1933, the import quota system had been extended to cover 88 per cent of the total imports into the country.

IMPOSITION OF SURTAX

Effective July 1, 1933, a surtax varying from 10 to 20 per cent of the import duty was imposed on all imports subject to quota (import quota tax), thereby increasing the customs duties.

A number of countries, including Germany, replied to these measures by counter quotas, thus adversely affecting Roumania's exports.

FURTHER RESTRICTIVE MEASURES

In May, 1934, it was noted that the upward turn on the Roumanian markets had brought about increased consumption and that imports increased accordingly notwithstanding the restrictive measures regulating foreign trade, and with the object of avoiding difficulties arising out of this situation, to check the decrease in the favourable balance of trade and to ensure the payment of the charges on the foreign debt, further measures were taken to restrict imports. They were intended to control imports from countries with which Roumania's balance of trade was unfavourable, by allowing imports in compensation (by barter) only, and this within a limit of only 8 per cent of exports.

On the other hand, imports from those countries with which Roumania's balance of trade was favourable were fixed at the average of the imports for the last six months of 1933.

The import quota tax on a number of tariff items was increased and this tax was imposed on other items until then exempt. An authorization tax of 200 lei was payable for each article under the customs tariff in regard to which an import permit was applied for.

In October, 1934, the regulations were radically modified, the principle being laid down that imports could only be effected on the basis of previous exports of Roumanian goods. Furthermore, imports were not to exceed 60 per cent of the value of the exports effected so as to ensure an automatically favourable balance of trade. Payment of exports was to be made in foreign exchange only, ceded to the National Bank at legal parity.

Out of the foreign exchange thus secured, the bank was to retain certain percentages for specified purposes, modified subsequently under decree of November 19, as follows: (a) 40 per cent of the total exports of Roumanian products for payments it was obliged to make, (b) 40 per cent for the payments abroad of interests and dividends and for the liquidation of goods in arrears, (c) the balance to be used solely for the payment of imports of goods, import certificates being issued for a value equal to 60 per cent of the value of the goods exported. Petroleum, cereals, and wood and their products could only be exported against payment in free exchange. Commercial agreements for payments and clearing were to be modified so as to conform with the new régime.

On November 29 the import quota taxes were again increased on certain goods subject to quota, while new items were subjected to this tax.

TWO CATEGORIES OF EXPORTS

On March 10, 1935, exports were divided into two categories, (a) petroleum products, (b) all other goods. The National Bank retained 60 per cent and 40 per cent respectively of the export proceeds in order to cover foreign payments due by the state and public institutions. The remainder of 40 per cent from petroleum products and 60 per cent from other commodities was open to free negotiations between importers and exporters through the medium of authorized banks and under the conditions established by the National Bank.

SYSTEM NOW IN FORCE

The latest system, that which is actually in force as introduced on June 11, 1935, suppressed the negotiability of foreign exchange and aims at encouraging exports to countries where foreign exchange is freely available, by instituting an export premium paid out of receipts from a premium applied upon imports.

The former principle of a relation established as between exports and imports has been maintained. Imports may not exceed a certain percentage of the total exports, and no import may be effected unless the import certificate delivered by the Ministry of Commerce and Industry bears the transfer visa of the National Bank of Roumania, which strictly ensures the foreign exchange necessary for the payment of the goods imported. This system also ensures the transfer of payments to be made by the State abroad as well as a certain percentage of arrears, so as to enable the consolidation of the country's credit abroad.

PREMIUMS ON EXPORTS

As regards exports, the counter-value in foreign exchange of the goods exported is ceded to the National Bank at the legal parity (official rate of exchange) for each currency. To stimulate exports, exporters receive from the bank, at the same time as the counter-value, calculated at legal parity, of the price of the goods exported, a premium for the encouragement of export trade, which varies with the nature of the goods. The premium, as determined by a special board, has been fixed as follows: on wheat and its derivatives, 40 per cent; on barley, oats, or rye, 30 per cent; on maize, 15 per cent; live animals and animal foodstuffs (except live fowl), 30 per cent; wood and products, 25 per cent; petroleum products, 10 per cent; all other products, 25 per cent.

Furthermore, these premiums are granted only when payment is effected in the following currencies: French, Swiss, or Belgian francs; Italian lira; pesetas; Dutch florins; pounds sterling, Egyptian or Palestinian; Canadian or American dollars; Czechoslovakian, Danish, Norwegian or Swedish crowns, free or in clearing accounts. This latter measure is destined to enable the National Bank to obtain the free foreign exchange required for payments by the State abroad.

IMPORT QUOTA REGULATIONS

In respect to imports, the import of goods subject to quotas continues to be effected solely in virtue of an import authorization issued by the Ministry of Industry, bearing the transfer visa of the National Bank of Roumania, importers being obliged to present the documents necessary for the justification of their applications. Foreign exporters must make sure, before shipping the goods, that the respective importer is in possession of the said authorization.

The import premium is fixed in relation to the value of the premium paid to exporters, so as to spread uniformly over the whole of the imports.

IMPORT PREMIUM

The Board of Control determined upon an import premium of 44 per cent, calculated at the legal parity (official rate). Exception was made for books, newspapers and magazines, against which the premium is 24 per cent only. The 44-per cent premium is not collected by the bank on important payments (in the order of 5 billions), which it must effect for the account of the state. If the National Bank reaps a profit out of the collection of import premiums, it must decrease the amount of the premium proportionately. It is hoped that the system will thus be sufficiently elastic to adapt itself easily to circumstances.

The liquidation of operations arising from the application of the previous foreign trade regimes has also been made the subject of special regulations. On foreign exchange sold to the National Bank by private individuals a premium of 30 per cent is payable, while importers and private persons obtaining exchange have to pay a premium of 44 per cent.

Commercial conventions and agreements are to be modified as far as possible in conformity with the new regime. (See tariff item on page 90 of this issue.)

COMMERCIAL AGREEMENTS

In 1930 commercial treaties and agreements were signed by Roumania with twenty-five countries. Thirteen of these were of a temporary nature, their duration being for either four or six months.

Clearing agreements were signed in 1932 by Roumania with certain countries in order to overcome difficulties arising out of the restrictions on imports, and following the introduction of the import quota system at the end of that year; a number of the agreements in force were denounced or modified during 1933, while special arrangements were made on the basis of exchange of products (barter) or compensation (clearings).

In April, 1934, imports from countries with which Roumania's balance of trade was unfavourable were admitted only by way of compensation.

Finally, it became more and more evident that only certain countries which possessed clearing arrangements with Roumania were able to obtain payments for their exports to that country under fairly favourable conditions.

As a result of the new foreign trade régime of June 11, 1935, the existing commercial agreements have been denounced one after another and Roumania is endeavouring to replace them by new agreements.

EXCHANGE SITUATION IN NICARAGUA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, December 15, 1935.—There is an acute shortage of foreign exchange in Nicaragua and remittances abroad covering purchases of foreign merchandise are reported to be, on an average, more than a year in arrears. It is estimated that funds owing abroad totalling more than \$1,500,000 (United States funds) have been delayed due to the great difficulty in obtaining the necessary foreign exchange. There does not appear to be any promise of material improvement in the immediate future, although the movement of the coffee crop during the next two or three months may ease the situation somewhat.

EXCHANGE CONTROL BOARD

The methods of the Nicaraguan Exchange Control Board are similar to those in effect in other countries. Importers must apply for an authorization to order merchandise from abroad. Two true copies of orders for foreign products must be submitted to the Exchange Control Board before the orders are despatched. The order form must give complete information regarding the nature, quality and quantity, as well as the total value of the goods and their c.i.f. Nicaraguan port value. The name of the country in which the exporting firm is located must be shown in addition to the true origin of the merchandise. The Nicaraguan importer is required to list separately those foreign articles included in his order which he deems necessary, a secondary list to include those articles which cannot be classed as absolute needs.

LIMITATION OF AUTHORIZATION TO IMPORT

Only merchants and industrialists included in the mercantile registry of Nicaragua and observing the regulations of the Nicaraguan Commercial Code may apply to the Exchange Control Board for authorization to import foreign merchandise. Other enterprises, firms, or persons may apply for authorization to import professional articles, materials, machinery, or replacements, providing the necessity for such importations has been proved to the satisfaction of a commission created to deal with such cases.

THE BOARD'S REQUIREMENTS

An order for foreign merchandise bearing the authorization of the Exchange Control Board must be forwarded to the foreign exporter, who will be unable to obtain a visé on his consular invoice unless the authorization of the Exchange Control Board is presented. After the authorized order form has served this consular purpose, it should be returned to the Nicaraguan importer, who is required to present it to the Customs before examination of the merchandise will be made. Similarly the Nicaraguan importer is required to present the authorized order form to a bank or banker recognized by the Exchange Control Board, when arranging to pay for the merchandise.

Payment must be made in national currency (cordobas) and once payment for foreign merchandise is made no refund is obtainable, except in special circumstances with the permission of the Exchange Control Board, for the purchase of Nicaraguan products for export. Banks and bankers are required to render daily reports to the Exchange Control Board giving details of payments received for foreign merchandise, the number of the collection, the name of the drawee, the date of the invoice, the name of the firm remitting, the country and city in which the merchandise originated, and the register number of the authorized order as well as the value authorized.

Merchants who, according to the records of the Exchange Control Board, do not appear to have paid for foreign merchandise in the prescribed manner will be required to declare how payment has been made, and are liable to fines and suspension of all authorizations should their explanation prove unsatisfactory. When authorized order forms have served consular, customs, and banking requirements they must be surrendered to the Exchange Control Board, which also requires a copy of all commercial invoices covering importations.

After all requirements of the Exchange Control Board have been met, the customs duty paid, and full value in local currency deposited in the bank through which the draft was drawn, the necessary foreign exchange will be sold when available.

THE UNIT OF CURRENCY

The unit of currency in Nicaragua, the cordoba, has a nominal parity with the United States dollar, but the official value has been fixed at \$1.10 per U.S. dollar. It is reported, however, that the rate on the street is currently in the neighbourhood of \$1.65 per U.S. dollar.

NOTES ON THE CUBAN CANNED VEGETABLE MARKET

S. G. MacDONALD, ACTING TRADE COMMISSIONER

Havana, December 23, 1935.—Cuba is a large producer of fresh vegetables and is not an important importer or producer of canned vegetables except peas. In view of the almost all-year-round production of fresh tomatoes, an important and growing industry has developed, and exports are in excess of \$500,000 annually. Imports of canned tomatoes are negligible; those of tomato paste—principally from the United States and Spain—are valued at between \$2,000 and \$3,000.

Canned corn is included in the official statistics under the general classification of "other vegetable canned products." The entire consumption is limited to the foreign colony and a few Cubans who have acquired a taste for it in the United States. The United States is the sole supplier, and that country with a tariff preference of 40 per cent and proximity to the market, is in the best position to supply the small demand.

Canned peas bulk largest in the import statistics with totals of \$8,448, \$3,886, and \$32,630 for the years 1932, 1933, and 1934 respectively. The United States and Italy supply the bulk of the demand. Of all canned goods, peas are the most important to the Cuban housewife when conditions are more or less normal; during the recent years of economic difficulty dried peas (which are very popular ordinarily) served as a substitute for the canned varieties. The local peacanning industry, which has developed greatly, now produces in considerable volume. The two types of canned peas sold here are known as "Moyens" and "Moyens Extra Fine."

IMPORT TARIFF

Behind a tariff of \$0.07 per kilogram gross (tare allowance of 15 per cent) for the imports from the United States, and \$0.12 from other countries under the minimum tariff (including Canada), the local canning industry is able to undersell exporters to this market from countries other than the United States. A comparison of recent prices for "Moyens" indicates the position. While United States peas are quoted at \$2.40, French or Belgian at \$4.35, and Italian at \$4.50 per case of 100 6-ounce tins c.i.f. Havana, the delivered price to retailers here of the local variety is \$3.25 per case.

DRIED PEAS

Dried peas for the local canning industry and general consumption imported into Cuba are annually valued at more than \$50,000. For the past years of 1932, 1933 and 1934 the respective volumes and values were 772 tons (\$51,856), 758 tons (\$55,192), and 1,006 tons (\$64,852). Twelve countries export to this market.

The United States during 1932 obtained about 75 per cent of the business, but for the following two years Germany, Holland, Belgium and Poland predominated with a combined total, made up of almost equivalent quantities for each country, of over 70 per cent. In 1934 the United States' percentage was less than 2. Canada has never been a considerable factor in this market, the greatest year being in 1933 when an import of some \$7,130, or about 12 per cent, was recorded. During 1934 the imports from Canada were only \$551.

EXPORT TRADE OF NETHERLANDS INDIA IN 1934

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, Java, December 1, 1935.—In 1934, for the first time since 1928, both the quantity and value of Netherlands Indian exports showed an increase over the preceding year. Actual figures were 9,004,000 metric tons valued at \$325,000,000 compared with 8,494,600 tons valued at \$312,000,000 in 1933. Holland improved her position as the leading purchaser of Netherlands Indian products with an increase from \$58,000,000 to \$69,000,000. The Continent of Europe made purchases valued at \$136,000,000 (\$122,000,000 in 1933); Asia, the second most important area, showed a decline from \$118,000,000 to \$114,000,000; and the Americas are credited with \$38,000,000 (\$37,000,000), Africa with \$8,700,000 (\$7,000,000), and Australia with \$16,000,000 (\$12,000,000).

Taking the 1928 value as 100, the index of the value of exports stood at 30.9 compared with 29.7 in 1933. Quantitatively, the index figure stood at 93 (1928 = 100). In rubber, tobacco, tea, and miscellaneous vegetable products, while average prices increased, declines were shown in animal products and manufactures thereof, coffee, sugar, tapioca, fibres, and petroleum.

EXPORTS BY CHIEF PRODUCTS

The following table shows Netherlands Indian exports in main groups for the years 1932, 1933, and 1934:—

	1932	1933	1934	1932	1933	1934
	Gross Weight in 1,000 Kgs.			Value in 1,000 Guilders		
Animal products and their manufactures	35,271	30,479	29,061	12,988	13,265	9,683
Rubber and gutta-percha	254,456	357,572	470,780	34,029	37,849	88,843
Drugs and spices	95,702	105,192	111,263	32,839	27,523	29,037
Coffee, all kinds	115,738	72,263	83,250	35,197	25,631	22,503
Oil seeds and vegetables containing oil	662,469	704,526	629,679	63,257	56,223	29,540
Sugar, all kinds	1,887,923	1,389,088	1,388,460	99,250	62,127	45,462
Tobacco, all kinds	76,062	50,131	45,687	52,588	32,005	37,004
Tapioca products	229,780	174,621	147,402	8,895	8,563	7,141
Tea	89,504	81,497	72,904	32,550	26,363	44,888
Fibres, all kinds	113,104	121,623	94,252	16,646	16,399	12,210
Other vegetable products	714,924	623,639	627,161	32,689	26,530	22,058
Mineral oil and products	4,220,054	4,674,333	5,154,890	98,433	104,989	99,834
Cement, ores, base metals, and sulphur	58,232	96,892	136,230	21,353	25,380	35,230
Goods of sundry nature	3,263	6,308	5,397	3,266	2,724	2,351
Foreign products except gold and silver	14,109	6,138	7,293	3,485	2,321	1,561
Gold and silver	291	247	424	30,021	22,621	37,949

Quantitative decreases are owing to declines in the exports of animal products (4·6 per cent), sugar (0·05 per cent), tobacco (8·8 per cent), tapioca (15 per cent), tea (10 per cent), and fibres (22 per cent). Increases took place in sales of rubber (31 per cent), spices (5·8 per cent), coffee (15·2 per cent), mineral oils (10·3 per cent), cement (41 per cent), and gold and silver (45 per cent). The improved prices received for rubber will have a beneficial effect on the purchasing power of the groups devoted to its cultivation.

EXPORTS TO CANADA

So large a proportion of the Dominion's purchases of Netherlands Indian products is made through the United States that the local statistics are of little value. According to the statistics, Canada's purchases of Netherlands Indian products in 1934 amounted to only 2,943 tons valued at \$246,660 compared with 6,919 tons valued at \$511,000 in 1933. The Canadian statistics for the calendar year 1934 show that Canada imported from the United States raw rubber valued in excess of \$6,000,000. This rubber had in turn been imported by the United States principally from Netherlands India and British Malaya, so that it is possible that in this one item alone Canada's purchases of Netherlands Indian produce would considerably exceed the total amount listed in the local statistics. Similarly, the Dominion is not credited with a large part of her purchases made indirectly through the United Kingdom, Holland, and (frequently) British Malaya.

The following table shows the exports of Netherlands India to Canada as they appear in the local statistics. To give an idea of the proportions taken by Canada, figures of total exports for the year are also supplied:—

	Total Exports, 1934		Exports to Canada	
	M. Tons	Dollars	M. Tons	Dollars
Total . . . . .	.....	.....	2,961·9	239,472
Caoutchouc, hevea-rubber, sprayed	11,178	2,187,322	308·1	55,130
Cinnamon-cassia	3,737	440,722	64·1	6,183
White pepper	22,098	6,154,956	5·2	1,285
Black pepper	27,064	4,057,934	78·3	12,655
Coffee (shelled)	4,037	1,994,267	18·9	9,300
Gambir	3,565	411,562	23·5	2,708
Groundnuts (shelled)	8,979	434,605	60·8	2,700
Citronella oil	2,299	1,296,684	1·3	846

	Total Exports, 1934		Exports to Canada	
	M. Tons	Dollars	M. Tons	Dollars
Tapioca flour	94,139	3,386,153	426.5	14,992
Tapioca pearl and seed	13,669	731,052	948.7	50,390
Tea	65,333	41,142,420	17.3	7,320
Fibres	71,089	3,873,865	825.7	43,196
Kapoc (unseeded)	20,616	4,007,045	82.9	16,193
Pandan hats	308	239,367	9.9	1,443
Pandan hats, other	1,409	294,186	90.7	15,131

REVIEW OF RECENT AUSTRALIAN TARIFF AMENDMENTS

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Melbourne, December 4, 1935.—A new tariff schedule further amending the Australian customs tariff was introduced in the Federal House on November 28, effective November 29. The revised schedules embody the proposals of December 6, 1934, and March 28, 1935, and, in addition, new items covered by forty-five Tariff Board reports received since March, together with a few minor alterations necessitated by certain obligations assumed under the Ottawa Agreements.

INCREASES AND DECREASES

Compared with the position immediately before the introduction of these proposals (leaving out of account the December and March alterations), the present tariff affects the duties on 236 items and sub-items as follows:—

Increases under the British preferential tariff, 28; general tariff, 41.

Decreases under the British preferential tariff, 141; general tariff, 127.

The above figures include fifty-two decreases, in both columns, through additions made to Item 174 (machines and machinery), mainly by making definite provision in the tariff for various types of machines which are not manufactured in Australia and which have hitherto been admitted under by-laws at the discretion of the minister. The duty on mining machinery and equipment is reduced substantially with a view to stimulating the development of the Australian mining industry.

WORK OF THE TARIFF BOARD

The Minister for Trade and Customs, when introducing the tariff proposals, emphasized the important work the Tariff Board had done in investigating the high returns on capital invested in certain industries which have benefited greatly from the protection afforded by the tariff, and the duties on products of these industries have been reduced in accordance with the Tariff Board recommendations. Among the articles affected are lamp-ware, certain types of glass-ware, some wrapping papers, and uncorrugated strawboard.

The minister had previously stated that he would not hesitate to refer to the Tariff Board for further review the case of any industries, apart from those industries the Tariff Board has proved to be uneconomic, where it is shown that unemployment would be created by the new decreased duties.

The increase in the general tariff applicable to piston rings is a case in point, as the rates of duty on piston rings were reduced on December 6, 1934, but following evidence from the manufacturers that the trade is being seriously affected by the new low duty under the general tariff, the Tariff Board recommended that increased protection be given the local manufacturer.

REINTRODUCTION OF INTERMEDIATE COLUMN

The resolutions contain an important feature in that they provide for the reintroduction of an intermediate column in the customs tariff schedule. The purpose of the intermediate tariff is to facilitate treaty negotiations at present under way with various foreign countries, as in the absence of an intermediate tariff it would be necessary to adopt some less flexible and satisfactory means of expressing any tariff commitments which the Commonwealth might accept under treaties.

POSITION AS AFFECTING CANADA

Concerning Canada, although the proposals provide only necessary adjustments to duties on goloshes and rubber shoes, and on lamps for motor vehicles consequent upon the alterations under the customs tariff, certain important items of Canadian exports to Australia are favourably affected, either by an increase in the general tariff or a decrease in the British preferential tariff.

The attention of interested Canadian manufacturers is directed to these favourable developments, which include, apart from machinery and equipment under Item 174, clothes wringers; electric household washing machines; spark plugs; lamps, *n.e.i.*, except lamps for cycles; Portland cement (now free British preferential); certain wrapping papers, including grease-proof and cellulose transparent paper; and strawboard, other than corrugated.

Carpet sweepers from Canada, on the other hand, are adversely affected by the introduction of a British preferential duty of 10 per cent, following a Tariff Board recommendation. Carpet sweepers were formerly free under British preferential and 25 per cent under general tariff; and a 25 per cent Canadian content was sufficient to qualify for the preference, whereas duties are now leviable under the British preferential schedule, and the Canadian content requirement is automatically raised to 75 per cent.

PROTECTION FOR EFFICIENT INDUSTRIES

In the present changes, the ministry has endeavoured to follow the policy introduced of providing adequate protection for efficient Australian industries, encouraging them to expand and create new employment, with the expressed hope that this policy will assist the creation and migration of new industries.

Tariff changes are not made without adequate inquiry by the Tariff Board. The ministry intends to hold a special tariff session as early as possible in the new year, at which opportunity will be given for discussion on the present schedule.

UNITED STATES CONSULAR INVOICES

United States Treasury Decision (No. 47883) published September 27, 1935, consolidates all previous instructions issued by the Treasury Department and states that consular invoices will not be required for shipments to the United States of:—

(1) Merchandise not exceeding \$100 in value, including such merchandise imported through the mails;

(2) Merchandise damaged on the voyage of importation by fire or through marine casualty or any other cause, without fault on the part of the shipper. If a consular invoice is available it shall be produced for the information of the appraiser;

(3) Merchandise recovered from a wrecked or stranded vessel;

(4) Household effects used abroad and personal effects not imported in pursuance of a purchase or agreement for purchase and not intended for sale; and automobiles entered under bond for touring purposes and not intended for sale;

(5) Articles sent by persons in foreign countries as gifts to persons in the United States;

(6) Articles carried on the person or contained in the baggage of a person arriving in the United States, except merchandise (that is, articles not of a personal nature or which are intended for sale or were bought on commission for others) valued at more than \$100;

(7) Tools of trade of a person arriving in the United States;

(8) Personal effects of citizens of the United States who have died in a foreign country;

(9) Merchandise within the provisions of sections 465 and 466 of the Tariff Act of 1930, at the first port of arrival (sections 465 and 466 relate to supplies, equipment, and repair of vessels);

(10) Merchandise when in the opinion of the Bureau of Customs the value thereof cannot be declared;

(11) (a) The following articles, when unconditionally free of duty or subject only to a specific rate of duty not dependent on value: forest products, crude, or not further manufactured than sawed into planks, boards, or deals, planed and tongued and grooved, except red cedar shingles; standard newsprint paper; pulpwood and wood-pulp; agricultural products, crude or unmanufactured, except opium and coca leaves, wool of all kinds (including wool on the skin), hides and skins of all kinds, tea, coffee, and dairy products other than milk and cream, raw cotton, tobacco, and seeds imported subject to the provisions of the Federal Seed Act, or for seeding (planting) purposes; minerals, crude; live domestic animals; fertilizer and fertilizer materials; news-reel films; fish; mother-of-pearl shells; stamps; postage or revenue stamps, cancelled or uncanceled, and Government stamped envelopes or postcards bearing no other printing than the official imprint thereon.

(11) (b) In such cases the commercial or *pro forma* invoice presented with the entry shall set forth all the necessary information for customs and statistical purposes.

(11) (c) For the purpose of this exception the terms used are defined as follows:—

The term "crude" means in the natural state, not processed, manufactured, or advanced beyond the state necessary to the transportation of the article from the place of origin to the market.

The term "forest product" means crude vegetable substances, grown in or obtained from the forests, and includes logs, timber, and lumber, not further manufactured than sawed into planks, boards, or deals, and planed and tongued and grooved.

The term "standard newsprint paper" means the kind of paper chiefly used for printing newspapers, as defined by the department in T.D. 40996 and T.D. 44317.

The term "pulpwood" means logs and timber cut to length for the purpose of manufacturing into wood-pulp. The term "wood-pulp" means the fibres of wood produced either mechanically or chemically for use in the manufacture of paper and pulpboard and other pulp products.

The term "agricultural products" means those things which are produced from the soil of farms, plantations, and estates, or which are brought into condition for the use of society by the labour of those engaged in agricultural pursuits.

The term "minerals" means all inorganic matter occurring naturally and not advanced by any process of manufacture and includes crude mineral oils, ores, earths, and clays.

(12) Merchandise shipped abroad, not delivered to the consignee, and returned to the United States by the same carrier through which it was exported;

(13) Merchandise (other than gold or silver) consigned to a branch of the United States Government;

(14) Archaeological articles imported by an institution established for the encouragement of the arts, science, or education for exhibition and not for sale.

RUBBER PROSPECTS IN 1936

There is a better feeling in the rubber market in Mincing Lane (writes a correspondent of the *Manchester Guardian Commercial*) and dealers are beginning to take a more hopeful view of the outlook for the commodity. The improvement shown in the statistical returns for November has revived confidence in the restriction scheme, and it is hoped that production, in terms of exports, will in future be effectively controlled by the permissible percentage. The past year has been unsatisfactory for the grower, and results to be disclosed by plantation companies in the annual reports will compare unfavourably with last year. The average of the daily spot price this year is slightly under 6d. per pound, as against $6\frac{3}{16}$ d. for 1934. Production on estates this year has been restricted to about half the potential maximum, to comply with the lower permissible export percentage.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United States Regulations Respecting Import of Dairy Cows

Under the Canada—United States Trade Agreement which went into force January 1, 1936, the tariff on "cows weighing 700 pounds or more each and imported specially for dairy purposes" is reduced from 3 cents per pound to $1\frac{1}{2}$ cents per pound. The total number which may be imported from all countries each calendar year at this reduced rate is 20,000 head. The United States Treasury Department on December 16, 1935, issued regulations respecting the entry of dairy cows at the trade agreement rate of $1\frac{1}{2}$ cents per pound. These regulations are published as Treasury Decision 48057 and read:—

Claim for the reduced rate must be made at the time of entry. There shall be filed in connection with the entry an affidavit of the ultimate consignee, certifying that the animals were imported in good faith for dairy purposes, and that they have actually been delivered to a dairy, farm, or other place suitable for dairy operations, the address of which shall be stated. If the ultimate consignee is not the importer of record, the latter also shall file an affidavit executed by himself, certifying that the animals are being imported in good faith for dairy purposes. In the case of each animal claimed to be entitled to entry at the reduced rate of duty, the customs officer charged with its examination shall satisfy himself that the animal is suitable for dairy purposes.

United States—Netherlands Trade Agreement

A trade agreement between the United States of America and the Kingdom of the Netherlands was signed on December 20, 1935. The term "United States of America" embraces the territories of Hawaii and Alaska, and Puerto Rico, as well as Continental United States. The Kingdom of the Netherlands embraces the Netherlands, the Netherlands Indies, Surinam, and Curacao. The provisions of the agreement under which each country grants the other unconditional and unrestricted most-favoured-nation treatment and the four schedules of the agreement go into force on February 1, 1936. The entire agreement shall come into force one month after the day on which the Netherlands Government has communicated the ratification by Her Majesty the Queen of the Netherlands to the Government of the United States and the Government of the United States has communicated the proclamation of the President to the Netherlands Government. It is to remain in force until January 1, 1939, and thereafter unless terminated upon six months' notice.

The first schedule contains Netherlands' undertaking with respect to tariff duties, monopoly fees, and crisis taxes. The second schedule sets forth the tariff concessions made by the United States, consisting of forty-one reductions in existing rates and the guaranteeing of the continuance of twenty-two items on the free list. The third schedule is a purchase agreement whereby the Netherlands undertakes to buy from the United States 5 per cent of its annual consumption of wheat flour and milling wheat, provided they are available in the United States at not more than world price. The fourth schedule specifies the minimum quotas of certain United States products which are to be admitted annually. The first and fourth schedules are divided into two sections each, one being the concessions by the Netherlands and the other the concessions by the Netherlands Indies.

The concessions granted by the United States to the Kingdom of the Netherlands are, under the most-favoured-nation treatment clause of the Canada—United States Trade Agreement, likewise accorded to Canada. The chief commodities of interest to Canada affected by the United States tariff reductions in this trade agreement are potato starch, on which the rate is reduced from $2\frac{1}{2}$ cents per pound to $1\frac{3}{4}$ cents per pound; dextrine made from potato starch or potato flour, reduced from 3 cents to $2\frac{1}{4}$ cents per pound; cabbage, from 2 cents to $1\frac{1}{2}$ cents per pound; and gin, from \$5 per proof gallon to \$2.50 per proof gallon. Ammonia sulphate is the only article of interest to Canadian exporters the free entry of which is guaranteed during the life of this agreement.

Trinidad Tariff Revision

By amendments to the customs tariff of Trinidad and Tobago, under resolution of the Legislative Council effective December 13, 1935, the rates of duty on a considerable number of items formerly expressed in terms of British money (£s.d.) are now expressed in dollars and cents. At the same time the surtax of 10 per cent of the duty formerly levied on these items is absorbed into the basic rate, which consequently shows an apparent increase, while actually the change in duty is slight in most cases.

The surtax on items to which it still applies is increased from 10 per cent to 15 per cent of the duty. Articles, in addition to those listed below, that were previously and continue to be exempt include: Motor cars and trucks; dried, salted, and pickled fish, except salmon, trout, and mackerel; rice; wheaten flour; all machinery, except marine; beef and pork, pickled, salted; fresh meat; refined sugar; wines.

The principal items of interest to Canada for which new rates (without surtax) are provided in the revision of December 13, are:

	Former Rates		New Rates	
	British Pref. Tariff	General Tariff	British Pref. Tariff	General Tariff
Natural and artificial aerated and mineral waters	6d. per doz. rep. pints	1s. per doz. rep. pints	25c. p. gal.	50c. p. gal.
Beer and aleper gal.	1s. 6d.	3s.	42c.	84c.
Unsweetened biscuits in tins.per 100 lb.	2s. 1d.	4s. 2d.	\$1.50	\$3.00
Rubber footwearper doz. prs.	6s.	18s.	\$1.60	\$4.80
Animal foods.per 100 lb.	6d.	1s.	15c.	30c.
Calcium carbide.per 100 lb.	2s.	4s.	60c.	\$1.20
Fresh eggs	Free	20% ad val.	60c. p. 100	\$2.40 p. 100
Exposed cinematograph films.per 100 ft.	1s.	2s.	30c.	60c.
Oats.per 100 lb.	9d.	1s. 6d.	24c.	48c.
Farinaceous preparations other than arrow-rootper 100 lb.	1s.	2s.	80c.	\$1.60
Hay and chaff.per 100 lb.	6d.	1s.	20c.	40c.
Cotton hosieryper doz. prs.	9d.	6s. 9d.	20c.	\$2.00
Artificial silk hosiery.per doz. prs.	1s.	7s.	30c.	\$2.10
Silk hosiery.per doz. prs.	4s.	13s.	\$1.20	\$4.00
Condensed milk	6d. p. 48 lb.	2s. p. 48 lb.	13c. p. 42 lb.	52c. p. 42 lb.
Lubricating oil.	6d. p. gal.	1s. per gal.	\$1.50 per 100 lb.	\$3.00 per 100 lb.
Medicinal oils.per gal.	1s.	2s.	30c.	60c.
Paints, colours and putty.per 100 lb.	2s. 6d.	5s.	75c.	\$1.50
Polishes, varnishes and enamels.per gal.	1s.	2s.	30c.	60c.
Turpentine and substitutes.per gal.	1s.	2s.	30c.	60c.
Soap, plain, yellow, brown, blue mottled and similar soaps.per 100 lb.	2s.	20s.	56c.	\$5.60
Other kinds, common soap.per 100 lb.	2s.	4s.	56c.	\$1.12
Whisky imported in bottle and not over-proof.per gal.	34s. 6d.	37s.	\$8.30	\$8.90
All other whisky.per proof gal.	43s.	45s. 6d.	\$10.30	\$10.90
Cordials and liqueurs, including flavouring extractsper gal.	32s.	34s. 6d.	\$8.85	\$9.55
Medicinal spirits.per gal.	5s.	10s.	\$1.40	\$2.80
Icing sugar.per 100 lb.	1s. 6d.	3s.	45c.	90c.
Leaf tobacco containing 25 per cent or more of moistureper lb.	3s. 3d.	3s. 3d.	90c.	95c.
Dried, canned or preserved vegetablesper 100 lb.	4s. 2d.	8s. 4d.	\$1.25	\$2.50
Potatoes and onions.per 100 lb.	6d.	3s.	15c.	90c.

Imports into Trinidad and Tobago from Canada are entitled to the British preferential tariff rates. Imports from all countries outside the British Empire are subject to general tariff rates.

Southern Rhodesia Rebate of Duty on Footwear and Tanning Material

Southern Rhodesia Government *Gazette* No. 638, 1935, authorizes a rebate or refund of the customs duties on the following articles on their first importation or when taken out of bond by manufacturers to be used in the manufacture of boots and shoes: leather in the piece, crepe rubber in the piece, rubber composition in sheets, canvas impregnated with rubber, canvas, duck, backing cloth, tarred felt, fillers, bindings, eyelets, metal stiffeners, wire fasteners, iron heels, buckles, cement solution, marking and embossing inks, brushes, finishing dressings, and split-backed board and cork sheets for the making of insoles and socking.

This notice likewise authorizes a similar rebate or refund of the customs duties for the following materials for use in the tanning industry: substances for preparing or bating hides and skins, and for tanning and finishing leather, including formic acid, acetic acid, hyposulphite of soda, and tanners' white soap.

French Quotas on Canadian Products

Mr. Hercule Barré, Commercial Attaché in Paris, advises that French decrees published on December 29 and December 31, 1935, announce quotas for the first quarter of 1936. On the basis of percentages guaranteed to Canada the following quotas are fixed for imports from Canada (in metric quintals of 220·4 pounds): cheese, 240; barley, 950; apples, 10,340; sweetened biscuits, 4; lead, 1,822; cultivators, 22½; mowers, reapers, and binders, 101¼; other agricultural machinery, 41; veneer sheets, 11½; veneers, 10¾; automobiles, 169; canned tomatoes, 8; patent leather, 48; box calf, 7½; fibre board, 185. Other quotas accorded to Canada are rolled oats, 3,000, and cinematograph films positive, 2·90.

Modifications in Control of Foreign Trade of Roumania

Mr. Yves Lamontagne, Canadian Trade Commissioner in Cairo, writing under date December 6, 1935, advises that new modifications have been introduced as from December 1 in the foreign trade regime of Roumania.

The premiums formerly paid on the export of certain categories of Roumanian goods have been suppressed, as well as the 44 per cent premium on imports which was payable by importers under the regime in force since June 11, 1935.

All exporters, as well as all persons acquiring foreign exchange, must, in principle, cede such exchange to the National Bank of Roumania or to an authorized bank. For this exchange the National Bank will pay a premium which will be established on a uniform basis. In order to provide funds for the payment of this premium, a special fund is to be created, into which will be paid the proceeds of a special ad valorem tax of 12 per cent on all exports of petroleum and its products from Roumania.

Increase in Duty on Potatoes Imported into Uruguay

Mr. R. G. C. Smith, Assistant Trade Commissioner at Buenos Aires, writes under date December 14, 1935, of an Uruguayan decree of December 4, which imposes a specific duty of 20 centesimos per 10 kilograms (about 20·6 cents Canadian at par) on imports of potatoes for consumption that was temporarily removed by decree of July 12, as reported in *Commercial Intelligence Journal* No. 1648 (August 31, 1935). This surtax is over and above the ad valorem duty on potatoes, which works out at about 12·6 centesimos per 10 kilograms gross weight (13·03 cents Canadian at par per 22 pounds).

The preamble to the decree states that this surtax is being reimposed in view of the fact that the Uruguayan crop is sufficient to meet the internal demand of the country.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JANUARY 6

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending January 6, 1936, with the official bank rate. Quotations for the week ending December 30, 1935, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 30	Nominal Quotations in Montreal Week ending Jan. 6	Official Bank Rate
Austria	Schilling	.1407	\$.1893	\$.1881	3½
Belgium	Belga	.1001	.1696	.1687	2
Bulgaria	Lev	.0072	.0135	.0135	6
Czechoslovakia	Krone	.0296	.0418	.0415	3½
Denmark	Krone	.2680	.2214	.2206	3½
Finland	Markka	.0252	.0218	.0219	4
France	Franc	.0392	.0665	.0661	5
Germany	Reichsmark	.2382	.4048	.4032	4
Great Britain	Pound	4.8666	4.9625	4.9425	2
Greece	Drachma	.0130	.0095	.0094	7
Holland	Guilder	.4020	.6832	.6799	3½
Hungary	Pengo	.1749	.2982	.2968	4
Italy	Lira	.0526	.0810	Nom. .0806	Nom. 5
Jugo-Slavia	Dinar	.0176	.0230	.0230	5
Norway	Krone	.2680	.2492	.2483	3½
Poland	Zloty	.1122	.1900	.1889	5
Portugal	Escudo	.0442	.0450	.0449	5
Roumania	Leu	.0060	.0080	.0079	4½
Spain	Peseta	.1930	.1378	.1370	5
Sweden	Krona	.2680	.2557	.2547	2½
Switzerland	Franc	.1930	.3274	.3257	2½
United States	Dollar	1.0000	1.0065	1.0025	1½
Argentina	Peso (Paper)	.4245	.3307*	.3294*	—
			.2718†	.2682†	—
Brazil	Milreis (Paper)	.1196	.0845*	.0841*	—
			.0549†	.0551†	—
Chile	Peso	.1217	.0513*	.0511*	4½
			.0413†	.0411†	—
Colombia	Peso	.9733	.5735	.5729	4
Mexico	Peso	.4985	.2795	.2784	5-6
Peru	Sol	.2800	.2617	.2494	6
Venezuela	Bolivar	.1930	.2577	.2566	—
Uruguay	Peso	1.0342	.8080	.7995	—
Cuba	Peso	1.0000	1.0057	1.0017	—
Hongkong	Dollar	.....	.3246	.3171	—
India	Rupee	.3650	.3745	.3731	3½
Japan	Yen	.4985	.2898	.2895	3.65
Java	Guilder	.4020	.6855	.6832	4
Shanghai	Dollar	.....	.2977	.2960	—
Siam	Baht (Tical)	.4424	.4549	.4530	—
Straits Settlements	Dollar	.5678	.5800	.5780	—
British Guiana	Dollar	1.0138	1.0337	1.0300	—
Jamaica	Pound	4.8666	4.9750	4.9550	—
Other British West Indies	Dollar	1.0138	1.0337	1.0300	—
Martinique	Franc	.0392	.0665	.0661	—
Guadeloupe	Franc	.0392	.0665	.0661	—
Australia	Pound	4.8666	3.9700	3.9537	—
Egypt	Pound (100 Piastres)	4.9431	5.0830	5.0625	—
New Zealand	Pound	4.8666	4.0000	3.9850	—
South Africa	Pound	4.8666	4.9562	4.9362	—

* Official. † Unofficial.

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The Canadian dollar showed definite strength for the week ended January 4, moving against both the United States dollar and the £ sterling. Sterling quotations at Montreal dropped from \$4.9720 to \$4.9454 during this period, and the premium on New York funds was reduced from 0.750 per cent to 0.313 per cent. The French franc, after advancing in the final days of 1935, turned decidedly weaker again, reacting to unfavourable 1935 French tax returns and to the announcement of a three-month moratorium declared by a bank in Switzerland.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Wheat Flour.....	17	Caracas, Venezuela.....	Agency.
Honey.....	18	Hamburg, Germany.....	Purchase.
Miscellaneous—			
Newsprint.....	20	Havana, Cuba.....	Agency.
Paper (Kraft) for Cement Bags..	21	Dairen, Manchuria.....	Agency.
Paper, Vegetable Parchment, Pure and Imitation.....	22	Tientsin, China.....	Purchase and Agency.
Sitka Spruce.....	23	Hamburg, Germany.....	Purchase.
Douglas Fir Veneer Logs.....	24	Hamburg, Germany.....	Purchase.
Pharmaceutical Products.....	25	Havana, Cuba.....	Purchase.
Rubber Garden Hose.....	26	Valparaiso, Chile.....	Purchase.
Enamelled Kitchenware.....	27	Havana, Cuba.....	Agency.
Fire Brick.....	28	New York, U.S.A.....	Purchase.
Cement Products.....	29	New York, U.S.A.....	Purchase.
Plaster Products.....	30	New York, U.S.A.....	Purchase.
Hydrated Lime.....	31	New York, U.S.A.....	Purchase.
Gypsum.....	32	New York, U.S.A.....	Purchase.
Emery Cloth and Flint Papers..	33	Valparaiso, Chile.....	Purchase.
Wire Cloth or Netting.....	34	Valparaiso, Chile.....	Purchase.
Aluminium and Bronze Powder..	35	Valparaiso, Chile.....	Purchase.
Wood Screws.....	36	Valparaiso, Chile.....	Purchase.
Bench Screws.....	37	Valparaiso, Chile.....	Purchase.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Saint John

To Liverpool.—Duchess of Atholl, Jan. 17; Duchess of York, Jan. 24; Duchess of Bedford, Jan. 31; Montclare, Feb. 7—all Canadian Pacific.

To London.—Beaverford, Jan. 16; Beaverdale, Jan. 23; Beaverburn, Jan. 30; Beaverbrae, Feb. 6—all Canadian Pacific.

To Manchester.—Manchester Regiment, Jan. 16; Manchester Commerce, Jan. 23; Manchester Port, Jan. 30; Manchester Citizen, Feb. 6—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Jan. 18; Norwegian, Feb. 15—both Donaldson and Dominion Lines.

To Glasgow.—Dakotian, Jan. 18; Sulairia, Feb. 1—both Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross (calls at Dundee), Jan. 25; Cairnesk, Feb. 8—both Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head, Jan. 15; Fanad Head, Jan. 25—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Gunvor, Canada-Mediterraneo Line, Jan. 17.

To Antwerp and Havre.—Evanger, Jan. 18; Grey County (calls at Rotterdam but not at Antwerp), Jan. 29; Brant County (calls at Rotterdam), Feb. 12—all County Line; Beaverdale (does not call at Havre), Canadian Pacific, Jan. 23.

To Hamburg.—Beaverburn, Canadian Pacific, Jan. 30.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Jan. 22; Lady Drake, Feb. 7—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Jan. 22.

To Kingston and Jamaican Outports.—Darien, Jan. 22; San Benito, Jan. 29—both United Fruit Line.

To Manila, Hongkong, Shanghai and Dalny.—City of Singapore, Canada-Far East Line, Feb. 10.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Tower Ensign (does not call at Sierra Leone, Lourenco Marques or Beira), Jan. 18; Pyrrhus, Jan. 25—both Elder-Dempster Line; Silverbeech, Kerr-Silver Line, Jan. 18.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Lyons, Canada-India Service, Jan. 13.

From Halifax

To Liverpool.—Duchess of Atholl, Jan. 18; Duchess of Bedford, Feb. 1; Montclare, Feb. 9—all Canadian Pacific; Lancastria, Jan. 26; Andania, Feb. 9—both Cunard-White Star Line; Manchester Hero, Manchester Line, Jan. 22; Lehigh, Oriole Line, Jan. 23; Newfoundland, Furness Line, Jan. 28.

To London.—Beaverford, Jan. 17; Beaverdale, Jan. 24; Beaverburn, Jan. 31; Beaverbrae, Feb. 7—all Canadian Pacific; Aurania, Jan. 18; Alaunia, Feb. 1—both Cunard-White Star Line; Waukegan, Jan. 17; Quaker City, Feb. 2—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Regiment, Jan. 18; Manchester Hero, Jan. 22; Manchester Commerce, Jan. 25; Manchester Port, Feb. 1; Manchester Citizen, Feb. 8—all Manchester Line; Lehigh, Oriole Line, Jan. 23.

To Aberdeen, Newcastle and Hull.—Kelso, Jan. 15; Gitano, Feb. 10—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Boston City, Jan. 29; New York City, Feb. 8—both Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnglen, Jan. 13; Cairnross (calls at Dundee), Jan. 27; Cairnesk, Feb. 10—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Jan. 20; Norwegian, Feb. 17—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Dakotian, Jan. 20; Sulairia, Feb. 3; Norwegian, Feb. 17—all Donaldson-Atlantic Line.

To Antwerp.—Beaverdale, Jan. 24; Beaverbrae, Feb. 7—both Canadian Pacific.

To Hamburg.—Waukegan, Jan. 17; Quaker City, Feb. 2—both American Hampton Roads (call at Hull and Leith); Beaverburn, Canadian Pacific, Jan. 31.

To Copenhagen, Gothenburg and Baltic Ports.—Svaneholm, Jan. 21; Ragnhildsholm, Feb. 17—both Swedish-America-Mexico Line (do not call at Copenhagen); Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, Feb. 16.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Jan. 13; Rosalind, Jan. 20—both Furness-Red Cross Line; Belle Isle, Newfoundland-Canada SS. Co., Jan. 13; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Jan. 22; Newfoundland (does not call at St. Pierre), Furness Line, Jan. 28.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Jan. 16; Lady Hawkins, Jan. 30; Lady Drake, Feb. 13—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Jan. 27.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, Jan. 23; Lady Somers, Feb. 6—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, Jan. 15; Ba, Jan. 29—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy (does not call at Hamilton), Jan. 25; Colborne, Feb. 22—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston (Jamaica) and Port au Prince (Haiti).—Cathcart, Jan. 16; Cavalier (does not call at Port au Prince), Jan. 30—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Malayan Prince, Jan. 17; Silverwalnut, Jan. 31; Siamese Prince, Feb. 14—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttleton.—Canadian Conqueror, Canadian National, Jan. 24.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Scottish, Canadian National, Jan. 31.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, Jan. 22; Heian Maru, Feb. 15; Hikawa Maru, Feb. 29—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), Feb. 8; Empress of Asia (calls Nagasaki), Feb. 22; Empress of Canada (calls Honolulu), March 7—all Canadian Pacific; Ixion (calls at Miike but not at Manila), Blue Funnel Line, Feb. 2.

To Manila, Iloilo, Cebu, Macassar, Sourabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Silveray, Jan. 29; a steamer, Feb. 29—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Jan. 29; Niagara, Feb. 26—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, Oceanic and Oriental Navigation Co., Jan. 20.

To Auckland, Wellington, Lyttleton, Dunedin, Melbourne and Sydney.—Hauraki, Jan. 30; Wairuna, Feb. 6—both Canadian-Australasian Line (call at Apia and New Plymouth).

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., January.

To London, Liverpool and Rotterdam.—Lochkatrine, Jan. 25; Delftdyk (calls at Glasgow), Feb. 8; Nebraska, Feb. 22—all Holland-America Line (call at Southampton if inducements offer).

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—America, Jan. 17; Europa, Feb. 17—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., February.

To Scandinavian Ports.—Margaret Johnson, Johnson Line, Jan. 21.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, Empire Shipping Co., Feb. 12.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Nordpol, Canadian Transport Co., Jan. 28.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverbelle, Silver-Java Pacific Line, Feb. 5.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hoyanger, Empire Shipping Co., Jan. 15.

From New Westminster

To London and Liverpool.—Damsterdyk, Jan. 15; Nela, Jan. 21; Lochkatrine, Jan. 25—all Royal Mail Lines Ltd. (call at Southampton and Rotterdam); Amerika (calls at Rotterdam, Gothenburg, Copenhagen and Hull but not at Liverpool), B. L. Johnson Walton Co., Jan. 15; Tacoma Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line Ltd., Jan. 18.

To United Kingdom Ports.—Hadleigh, Canadian Transport Co., Jan. 15; Knoxville City, B. W. Greer & Son Ltd., Jan. 17.

To Australian Ports.—Tolken, Empire Shipping Co., Jan. 15.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
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Belgium

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British West Indies

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

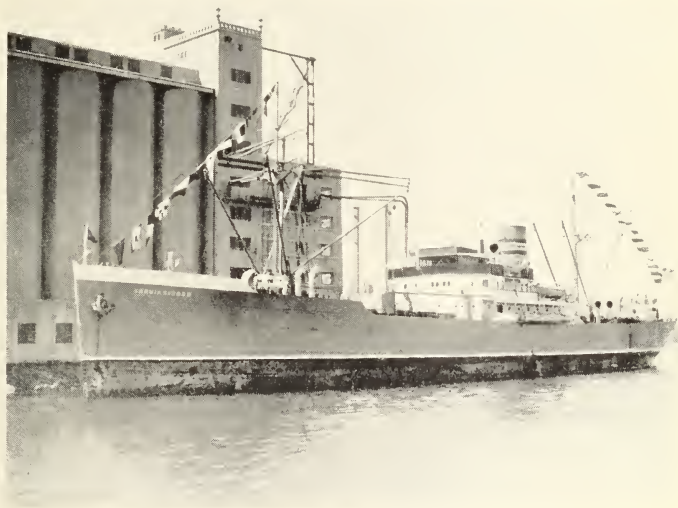
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, January 18, 1936

No. 1668



Unloading Canadian Grain at Stavanger, Norway

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, January 18, 1936

No. 1668

PROPOSED REORGANIZATION OF THE SOUTH AFRICAN BUTTER AND CHEESE MANUFACTURING INDUSTRY

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, November 29, 1935.—In April, 1935, the Dairy Industry Control Board, an official body created by the Government and vested with extensive powers over the Union's dairy industry, appointed a committee to investigate the manufacturing side of the industry with a view to devising ways and means of solving the financial difficulties at present experienced in the industry, and to go into the question of the better co-ordination of production and manufacture. This committee has recently submitted to the board a report recommending far-reaching changes in the organization of the butter and cheese manufacturing industry.

HISTORY AND PRESENT STATE OF THE INDUSTRY

In order that the present position of the industry may be understood, it is necessary to outline briefly the developments which have led up to it. Until about twenty years ago the Union was unable to produce all its requirements of butter and cheese and had to import supplies regularly. The Great War stimulated production, however, to such an extent that spasmodically since 1917, whenever the seasons have been favourable, considerable surpluses of both butter and cheese have been produced and exported. Shortly after the close of the War, overseas prices fell heavily, and since that time exports have practically always involved heavy losses, threatening what had appeared to be a promising industry with complete collapse.

LEVY AND EXPORT BOUNTY

As soon as this situation arose, the Government instructed the Board of Trade and Industries to investigate the industry. The latter subsequently recommended the establishment of a Board of Control with power to compel each creamery and cheese factory to export its *pro rata* share of any surplus and to raise a levy on butter and cheese manufactured in order to provide an export bounty. Before these recommendations were made effective by legislation, however, the manufacturers voluntarily organized to export under bounty and to stabilize the domestic price.

This scheme was temporarily successful, but eventually failed owing to lack of co-operation from some manufacturers, and in 1930 the Government stepped in by passing the Dairy Industry Control Act, embodying to a large extent the recommendations previously made by the Board of Trade and Industries, and creating the Dairy Industry Control Board which functions at present.

Up to 1933 the export bounties paid by the board practically absorbed the levy collected, but during 1934, as a result of a severe drought in 1933, the surplus for export was much less than anticipated and the 1934-35 season commenced with the board in possession of considerable accumulated funds.

INCREASE IN PRODUCTION

An enormous increase in production occurred during the past season, however, particularly in Southwest Africa, and it has been necessary to set aside for export 12,000,000 pounds of butter, of which over 11,000,000 pounds have already been exported, 6,500,000 pounds from the Union and 4,500,000 pounds from Southwest Africa. At the end of August 4,400,000 pounds were still in cold storage, and current production continues to be in excess of domestic consumption. Considerable further exports will be necessary therefore, in spite of a Government scheme whereby state-aided butter will be supplied to charitable institutions and through them to people unable to purchase at ruling prices.

As a result of this abnormal export surplus, the board has not only used up all its current collections of levy, but also has exhausted its accumulated reserve.

IMMEDIATE CAUSES OF PRESENT UNSATISFACTORY POSITION

According to the committee, two outstanding factors have brought about this state of affairs. In the first place, at present the farm butter-maker continues, to a large extent, to escape payment of the butter levy and enjoys the full benefit of the stabilized local prices without having to bear any share of the loss on export, as farm butter is not subject to the export quota. It is understood, however, that during the next session of Parliament legislation will be passed providing that all farm butter sold will be subject to levy.

INCREASE IN BUTTER PRODUCTION IN SOUTHWEST AFRICA

The second factor is the enormous increase in the quantity of butter produced in Southwest Africa. During the year ended August 31, 1934, the production of butter in the Union amounted to 17,904,714 pounds, and for the year ending August 31, 1935, to 26,444,502 pounds, an increase of 8,539,338 pounds, or 48 per cent.

During the same periods the production in Southwest Africa (including Bechuanaland Protectorate) was 3,036,802 pounds and 6,991,296 pounds respectively, an increase of 3,954,494 pounds, or 130 per cent. The board has already made representations to the Government to supply funds from general revenue to provide an export bounty for all butter produced in Southwest Africa in excess of its domestic requirements.

If the two steps mentioned above are taken, the board will be in a position to subsidize butter exports more heavily or to subsidize larger exports of butter than at present, but the basic weaknesses of the industry, which make high export bounties necessary, will still remain.

BASIC DEFECTS IN THE INDUSTRY

The committee is of the opinion that one of the most important weaknesses of the industry is the wide margin between the wholesale price of butter and the price the farmer receives for his butter-fat. This margin, while necessary under present conditions to enable the creameries to operate without incurring losses, is much wider than that required by creameries in other countries, and is one of the chief reasons why so many farmers find it more profitable to make farm butter than to sell cream to the creameries.

The reasons why this wide margin is required are enumerated as follows:—

(a) TOO MANY CREAMERIES

There are fifty-nine registered creameries in the Union. If the total output of creamery butter be taken as 25,000,000 pounds per annum, the average output per creamery is only 420,000 pounds per annum. The committee considers that 750,000 pounds per annum is the minimum output consonant with economical operation and that the closing down of half the existing creameries would be in the best interests of the industry as a whole. This applies also in the case of cheese factories.

(b) PAYING OF TRANSPORT CHARGES ON CREAM BY CREAMERIES

It is the practice of nearly all creameries to pay the delivery charges on cream supplied to them, no matter from what distance. This encourages the farmer to consign his cream unnecessarily long distances in the hope of obtaining a better price than at the nearest creamery. The committee is of the opinion that each producer should be required to pay his own cream delivery charges.

(c) UNECONOMIC AND UNSOUND COMPETITION

The excessive number of creameries has led some to adopt a system of grading cream which is not up to standard as first-class, in order to try to increase supplies and thus increase production and reduce manufacturing costs. Such cream is frequently manufactured into butter which is packed as first-grade.

During the period January 1 to August 31, 1935, 23·55 per cent of the butter stored for sale in local markets and 22·64 per cent of the butter submitted for export inspected by the Division of Dairying was degraded. The committee is of the opinion that nothing short of complete reorganization of the manufacturing side of the industry will eliminate these practices.

(d) UNECONOMIC DISTRIBUTION OF DAIRY PRODUCTS

There are held to be too many agents engaged in the distribution of dairy products, particularly cheese, leading to high charges and under-cutting, to the detriment of manufacturers and producers. The committee considers that a central selling organization should be charged with the distribution of all creamery butter and factory cheese produced in the Union.

FUTURE DEVELOPMENT OF THE DAIRY INDUSTRY

The committee devoted some time to a consideration of the future development of the dairy industry in the Union, reaching the following conclusions:—

Production was likely to go on increasing and the present levy and bounty scheme could no longer be depended on to maintain prices at a profitable level. The industry cannot be carried on profitably at present world parity prices, however, and while nothing should be done to encourage increased production by artificial means, steps should be taken to ensure producers prices above the world level. Otherwise, the industry would collapse, an eventuality which, in view of the large number of farmers dependent on it for a living, would amount to a national calamity.

Every effort should be made to extend the local markets to the fullest extent, but production should not and could not be restricted to what local markets can absorb. Surplus dairy products must be dealt with by a quota system by which each butter-fat producer would bear a share of the losses on exports. But the producer occupying expensive land on which, owing to irrigation or some other source of a continuous water supply, a more or less constant supply of butter-fat

can be produced throughout the year, should be placed in a more favourable position than the producer on cheap lands on which the supply varies widely according to the season.

RECOMMENDED REORGANIZATION OF THE CREAMERY INDUSTRY

While the committee felt that if the various proposals mentioned above were put into effect a considerable improvement in the position of the industry would result, it was convinced that nothing short of a complete reorganization of the manufacturing side of the industry on a co-operative basis would place it on a permanently sound footing. The committee therefore submitted a definite scheme to achieve this end as follows:—

- (1) That the Government be requested to appoint a commission to
 - (a) value all existing creameries as going concerns;
 - (b) determine which creameries are redundant.
- (2) That the Government be requested to advance funds from which
 - (a) redundant creameries shall be taken over and closed down;
 - (b) the remaining creameries may be purchased by co-operative companies formed by the farmers in the areas concerned to operate them.
- (3) In the event of no co-operative company being formed in any area, the board shall make arrangements with the creamery owners for the continuance of the creamery or creameries in such area, which will safeguard the interest of producers and in any case include the following conditions:—
 - (a) That if a co-operative company be formed within three years of the commencement of operations by the creamery, the owners must hand over the creamery to the co-operative at the value set by the commission.
 - (b) Dividends paid by such proprietary companies shall be limited to 8 per cent on the capital approved by the board when the company was formed.
 - (c) The creamery is to operate under the supervision of the board.
 - (d) The board undertakes not to recommend the establishment of any new creameries in the area concerned.
- (4) A statutory agency to be formed through which all creamery butter shall be sold with power to impose a levy up to 1s. 6d. per case on all butter sold, in order to pay interest on the Government loan and provide a sinking fund for its retirement. Farm butter should also be sold through the statutory agency.
- (5) All the above proposals shall apply *mutatis mutandis* to cheese factories.
- (6) Any fixation of prices of either butter-fat or butter by the statutory agency must be subject to the approval of the Minister of Agriculture on the recommendation of the board.

It is estimated that the Government would have to lend about £250,000 to the industry to carry out the above scheme.

The advantages expected to follow the adoption of the proposed scheme are:—

- (1) Elimination of redundant factories at the cost of the industry generally.
- (2) Elimination of uneconomic competition and the undesirable practices associated with it.
- (3) Elimination of the present lack of confidence between producer and manufacturer.
- (4) Larger outputs and reduced manufacturing costs.
- (5) Improved quality of products through better control over grading, and as a result increased consumption.
- (6) Further development of the industry probably made economically possible.

The committee is of the opinion that an effort should be made to bring about this reorganization by voluntary means, and that the Government should be requested to appoint a commission specially for that purpose. If, however, such commission is unsuccessful owing to an unreasonable attitude on the part of a minority of the manufacturers, the committee considers that the Government should, in the national interests, be asked to consider introducing some form of compulsion by means of legislation.

It is understood that the report of the committee embodying the above scheme has been placed before the Cabinet and that legislation on the lines suggested may be introduced in Parliament next year.

UNITED KINGDOM TOBACCO OUTLOOK

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, December 26, 1935.—From the financial reports of the three leading manufacturers in the United Kingdom, which have recently been issued, the consumption of tobacco in its various forms continues to advance. Each company has had a favourable year and has been able to report increased profits. The chairman of Carreras, Ltd., in announcing a net profit for his company of £942,007, an increase of £137,065 over the preceding year, stated that the improvement was due mainly to better conditions in general trade and industry of the country.

The results of this company are in keeping with those of other leading tobacco manufacturers in the United Kingdom. While no statistics of production are available, it is apparent from the trade that the bulk of the increased business is in cigarette consumption, which, with improved special conditions experienced here during the past year, has further expanded.

IMPORTS

For the first ten months of 1935 the total imports of unmanufactured tobacco amounted to 176,206,143 pounds as compared with 192,777,471 pounds during the January-October period a year ago. During the same periods the total amount cleared for home consumption was 136,609,721 pounds in 1935 and 132,448,753 pounds in 1934. There has been a steady increase in tobacco used in the United Kingdom in recent years, for the figures show that for the first ten months of 1932 the total was reached of 122,700,000 pounds; of 1933, 125,400,000 pounds; and of 1934, 132,400,000 pounds.

Of this total, the amount of Empire tobacco delivered for home consumption for the first ten months of 1935 amounted to 34,735,604 pounds. This compares with 33,954,321 pounds last year. The increase is not large, but it is important to find no lessening in the demand for the Empire product.

DELIVERIES FOR HOME CONSUMPTION

The following are the complete figures for home consumption of the leading types of Empire leaves and strips. The figures compared are the January-October periods of 1935 and 1934:—

	1935 Lbs.	1934 Lbs.
South Africa	114,855	138,745
Northern Rhodesia	603,508	663,548
Southern Rhodesia	8,156,307	7,732,320
Nyasaland	10,082,526	10,209,160
British India	8,096,836	8,051,115
Canada	6,973,750	6,468,564
Total Empire	34,735,604	33,954,321

CANADA'S PLACE ON THE MARKET

Heavy re-exports of Canadian leaf and strips in 1935, amounting to over 1,000,000 pounds, as well as the relatively restricted amounts of Canadian available for the British market from the 1934 crop, have resulted in the comparatively small stocks on hand in the United Kingdom at present. At October 31, 1935, it was stated that only 15,665,305 pounds of Canadian tobacco were on hand. This is probably slightly less than two years' normal demand. On the other hand, the records show 28,446,993 pounds of Northern and Southern Rhodesian, 30,812,431 pounds of Nyasaland, and 26,782,895 pounds of Indian in the United Kingdom. The position of Canadian tobacco is therefore sound.

Very little of 1935 crop of Canadian has so far reached the British market. Samples, however, have indicated the bright flue-cured crop tobacco to be very good and prices apparently not unattractive. The fact that the crop sold out so quickly, the official market remaining open only three days, was disappointing to some manufacturers and merchants here. It may mean that in future more of them will either make arrangements to be present in Canada at the time or at least to be adequately represented. Canadian tobacco is generally well liked and can be used to advantage by manufacturers in increasing quantities in cigarettes. The general outlook in the United Kingdom for Canadian bright leaf is encouraging, especially if present standards are maintained.

CONDITIONS IN SOUTHERN RHODESIA AND NYASALAND

Early reports indicate that both Southern Rhodesia and Nyasaland are experiencing unseasonable weather. The present is the critical growing period in the tobacco crops of both countries, and so far this year severe drought has been prevalent. Unless rain arrives soon their crops may be adversely affected.

Southern Rhodesia has recently adopted an entirely new system of marketing her tobacco. A controlled method of auction floor selling is to be introduced for the new crop, and while the necessary legislation has not yet been passed it appears likely that the proposed bill will become law early in the new year.

LONDON MARKET FOR WOODENWARE*

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, December 31, 1935.—There is a very large market in London, and of course the United Kingdom, for all articles of wood. Home manufactures are extensive, but by no means supply the demand except in a few lines. Canadian or British Empire woodenware enters free of duty, while the foreign product, with only a few exceptions, pays a duty of 20 per cent ad valorem. There is thus a good opportunity for Canadian manufacturers to supply the market, although competition from Northern Europe is very keen. In the quality trade quantity is relatively small, but there is a great volume of medium-quality goods sold and, even though the unit profit may be small, the aggregate should be of some interest.

IMPORTATIONS

A wide range of articles manufactured of wood is imported into the United Kingdom, although comparatively little detailed classification is given in the published import statistics. Among the articles shown separately are tool handles, the imports of which in 1933 aggregated about \$430,000, mainly from the United States, but also from Germany and Canada. Domestic ware of wood, including bread platters, trays, pastry boards, washboards, spoons and forks, clothes pegs, skewers and the like, amounted to about \$533,000, principally from Germany, Sweden, the United States, and Canada. Manufactures of wood, n.o.p. (i.e., not including the above, nor furniture, window frames, doors, plywood or wooden heels), totalled about \$8,360,000 and came from Sweden, Finland, Canada, Norway, the United States, Germany, and other countries.

EMPIRE CONTENT

To obtain the benefit of free entry of their products into the United Kingdom, Canadian manufacturers of woodenware must be careful to supply to the

* See also "London Market for Woodenware," published in *Commercial Intelligence Journal* No. 1624, dated March 16, 1935.

United Kingdom importer a certificate of origin made out on Customs Form No. 120 (Sale), which applies to fully manufactured goods. The question of the Empire content applicable to woodenware qualified for Imperial preference depends upon its nature. Generally speaking, manufactures of wood require to satisfy a 25 per cent Empire content; that is to say, not less than 25 per cent of the factory cost of production must be derived from Empire materials and/or labour.

Exceptions to this, however, are finished tool and implement and broom and brush handles, which even if imported separately are held to be "parts of tools and implements or brooms and brushes," and subject to a 50 per cent Empire content. Canadian woodenware manufacturers shipping goods to the United Kingdom are advised to consult the Foreign Tariffs Division of the Department of Trade and Commerce, Ottawa, on this point, and with regard generally to the documentation of shipments.

GOODS IN DEMAND

The variety of wooden goods in demand is almost unlimited. Interested Canadian firms should submit their offerings to the Canadian Trade Commissioner in London. The following notes will give an indication of some of the goods required. Samples of a number of the products listed below have been forwarded to the Department of Trade and Commerce, Ottawa, and may be borrowed for inspection on application, stating the sample number. The prices, which are given where possible, are delivered warehouse London, including duty, and subject to 2½ per cent discount for payment within thirty days after acceptance of draft; they indicate the keen competition in this trade. Prices c.i.f. London would be 2 or 3 per cent lower than those quoted.

Broom handles are sold in large numbers. They must generally be of softwood (Douglas fir preferred) because of price, although hardwood handles find a ready sale when the price is not materially higher than that of the softwood. Hardwood handles are suitable for carpet sweepers where a finer finish is required.

Mop handles, both of softwood and hardwood, but especially of maple and birch, are also sold in considerable quantities. They are used largely for floor polishers and are 48-inch by 7⁄8-inch with a threaded end.

Both broom and mop handles are sold plain unpainted, plain varnished or, occasionally, enamelled in pastel colours. The standard sizes are 48 inches long by 1 inch, 1⅛ inch, and 1½ inch in diameter.

Hammer handles, for joiners and engineers, are of hickory and also of ash and are supplied in three lengths: 12-inch at 1s. 4d. per dozen delivered London, 14-inch at 1s. 8d. per dozen, and 16-inch at 1s. 10d. per dozen. The handle for joiners' hammers is rather thin and has a tapered oval butt as well as shank (Sample No. 1). The handle for the engineers' hammer is fairly solid and has a gripped butt and tapered shank (Sample No. 2).

Adze eye hammer handles are sold in two lengths: 13-inch at 1s. 11d. per dozen and 14-inch at 2s. per dozen. The shank is rectangular in section and the butt is gripped (Sample No. 3).

Hickory hammer handles are manufactured in Great Britain from imported American squares.

Spade and fork handles of ash are supplied straight (Sample No. 4) at 8s. per dozen delivered London and, with the lower end bent (Sample No. 5), at 9s. per dozen. The D-handle is standard. Large quantities are supplied from the United States, but these are not of the finest quality.

Utensil handles such as electric iron handles, kettle handles, food chopper handles, knobs, etc., also find ready sale. They are preferably of hardwood. The iron handles must be well shaped, of standard pattern, and with a "rubberoid" finish (Sample No. 6). Kettle handles and knobs are usually enamelled black. Food chopper handles may be with natural polished finish or, in small quantities, enamelled in pastel colours.

Rolling pins are sold in great variety, including the solid thin type tapering from the middle to the ends and with no marked handle, and the solid type with turned handles, as well as the popular revolving handle style. The last is generally preferred with plain polished handles, but is also sold with the handles enamelled in black and pastel shades. The first type is up to 2 inches in diameter, while the other types are $2\frac{1}{2}$ to $2\frac{3}{4}$ inches in diameter; the roller must be of hardwood, many of which are made in Great Britain from scrap maple. A rolling pin of German origin and having a revolving handle, the roller being of beech, is purchased at 45s. per gross delivered London (Sample No. 7); the same type with $8\frac{3}{4}$ -inch roller of maple costs 68s. per gross (Sample No. 8); and, with a 10-inch roller of maple, 87s. per gross (Sample No. 9). The finish should be of the best.

Wooden spoons are of both foreign (Sample No. 10) and domestic (Sample No. 11) manufacture, the former often having a smoother finish. The prices are respectively: 8-inch foreign, 9s. 3d. per gross delivered London; English, 8s. 6d. per gross; 10-inch, 12s. and 9s. 3d.; 12-inch, 16s. 3d. and 10s. 3d.; 14-inch, 19s. 3d. and 12s. 6d.; and 16-inch, 22s. 6d. per gross for foreign and 14s. 6d. per gross for English manufacture.

Bread boards are generally preferred in the standard round style with a moderate amount of decorative carving and in natural finish. There is a limited sale of modernistic types, packed in fancy boxes, which find a novelty demand. A first-quality 12-inch round bread board costs 19s. per dozen delivered London (Sample No. 12), while a medium quality 10-inch board costs only 9s. 6d. per dozen (Sample No. 13). The 12-inch board finds the largest sale, but the 10-inch boards are also popular.

Clothes airer laths, of softwood, about $1\frac{1}{8}$ by $\frac{9}{16}$ inch in cross-section and with semi-circular edges, sell in fair quantities. They must be free of knots. The finish is natural and fairly smooth. The regular lengths in demand, with current prices per gross, are: 6-foot, 23s. 6d. delivered London; 7-foot, 27s. 6d.; 8-foot, 31s. 6d.; 9-foot, 35s. 6d.; and 10-foot, 39s. 6d. per gross (Sample No. 14).

Birch dowels sell in great quantity. They must be of good wood and packed to avoid distortion; special dowels, enamelled, may be wrapped individually and tied in bundles of 500 or 1,000. The standard sizes are $\frac{3}{8}$ -inch diameter by 18, 24, 36, and up to 60 inches in length; $\frac{1}{2}$ -inch by 21, 24, 36, and up to 72 inches; $\frac{5}{8}$ -inch by 24 inches; $\frac{3}{4}$ -inch by 24 inches and 36 inches; $\frac{7}{8}$ -inch by 36, 42, and 48 inches; 1-inch by 36 inches; and 1-inch by 36 inches. The diameters of $\frac{3}{4}$ -inch and over are also sold in lengths of 54, 60, 72, 84, and 96 inches. A good part of the demand is for the $\frac{3}{8}$ -inch diameter. Dowels over $\frac{1}{2}$ inch in diameter must generally be sanded. (A special report on "The United Kingdom Dowel Market" may be obtained on application to the Department of Trade and Commerce, Ottawa.)

Mixing boards find a very large sale; orders are for as many as 4,000 dozen at a time. They are generally of hardwood, particularly birch. The main essential is that they be able to stand up against the abuse of being dampened by washing and then dried before a hot fire; they must not warp or split. The make-up consists of as few boards as possible glued together and

mortised and tenoned into end-pieces with rounded corners and smooth edges. The finish must be natural, good, and on both sides. All boards are $\frac{3}{4}$ -inch thick and the usual sizes and present prices are: 16 by 12 inches, 7s. 8d. per dozen delivered London; 18 by 12 inches, 7s. 11d.; 20 by 14 inches, 9s. 9d.; 22 by 16 inches, 13s. 3d.; and 24 by 18 inches, 15s. 9d. per dozen (Sample No. 15).

Washboards are sold in great numbers at very low prices; orders are for up to 400 dozen at a time. About 60 per cent of the demand is for a plain corrugated hardwood board, with or without soap rack (Sample No. 16); this costs 6s. 6d. per dozen delivered London. There is also a cheaper form of the same type which costs only 5s. 6d. per dozen delivered and including duty. Thirty per cent of the demand is for a metal-faced board with soap rack; it costs 7s. 1d. per dozen (Sample No. 17). The metal should be perforated for drainage. The wood, although cheap, should be clean and free of obtrusive knots. Corners are dove-tailed (or mortised and tenoned) and the scrubbing part is set into the side-pieces. The finish is natural. There is a limited demand for glass-faced washboards.

Garden trellis of the portable expanding type is sold in large quantities and in sections from 1 to 8 and 10 feet high by about 12 feet long. The wood is about 1 inch wide by about $\frac{3}{16}$ -inch thick and the mesh when expanded is about $3\frac{1}{2}$ -inch (Sample No. 18). A section 1 foot by 12 feet costs about 5 $\frac{3}{4}$ d., and other sizes cost in proportion. There is also a market for the slats, to be assembled after arrival.

Clothes pegs are sold in very large quantities. The demand is for a 7-coil spring. The 4-coil spring common in Canada is not liked, even though it may be as good or better (Sample No. 19). The current price is 7 $\frac{1}{2}$ d. per gross delivered London. Dolly pegs also find a large sale, but at the low price of about 3s. 1d. per box of five gross.

POSSIBILITIES FOR CANADIAN GOODS

Canadian woodenware can find a ready sale if prices and quality are competitive; the prices given are those actually being paid, and it is desirable that Canadian producers should offer a small price or quality advantage to overcome any resistance to change, if any quantity sales are to be obtained. Canadian woodenware has been sold on a quality basis, but the field is very limited and it is undoubtedly a question of many years before quality will supersede price as the chief sales factor. It is useless, moreover, to enter the market carelessly.

Prices should preferably be quoted in pounds sterling and must be c.i.f. English port of entry. The materials and finish must be closely checked to the standards required and on no account should goods be below standard, even though the standard be low.

LONDON PRICE TRENDS FOR EVAPORATED APPLES

C. H. WEST, ASSISTANT TRADE COMMISSIONER

London, December 30, 1935.—Canadian evaporated apples are not being offered at the present time, and it seems that further supplies will be withheld until the New Year. Generally speaking, Washington-Oregon apples also are off the market, except for resales, and California fruit has not figured prominently in the trade throughout the season. The present seems an opportune time therefore for a review of price trends over recent months.

CANADIAN

Supplies of Canadian apples from last season were cleared by February or March of the year. Prices on the new crop were first quoted during the first

week in June, and brokers made a few sales of 50-pound boxes of Standards at 40s. per cwt. c.i.f. These were for October shipment. As increased supplies came on the market prices continued to fall, and by the end of June brokers were quoting 39s. A quiet period followed this reduction, during which levels continued to recede, until by the middle of July offers were freely made at 35s., October shipment. This was the lowest figure reached, but prices remained at this level for a month to six weeks.

About the third week in September the market again became active owing to heavy forward selling, and on September 27 Canadian Standards were being quoted at 39s. for November-December shipment. Prices continued on this basis for another two to three weeks. It then became apparent that the Canadian pack was considerably under normal, and quotations suddenly increased to 43s. for December shipment. There were no further fluctuations of any account, and by the middle of November no forward offers were being made. At that time spot stocks were being quoted at 45s., which increased to the present level of 47s. 6d. for spot offers.

Throughout the season Canadian Standards in 25-pound boxes have been quoted at from 2s. 6d. to 3s. over the prices given for 50's. A few specially selected Choice apples were offered at the commencement of the season at 38s. for the 50-pound boxes, and 40s. for the 25's, October-November shipment. These prices later advanced to 39s. and 41s. respectively. However, after the first week in September, due to the lack of interest on the part of buyers, offers ceased for other than Standards.

WASHINGTON-OREGON

Spot stocks of Washington-Oregon evaporated apples which had been carried over from last season were off the market by January or February of the year. Shipments continued for about two months after that date.

Prices on the new crop Washington-Oregon fruit were first made during the latter part of June. Packers were then offering 50-pound boxes of Extra Choice quality at 50s. per cwt. c.i.f. for September shipment overland. Buyers were not tempted at this price, and eventually some bids were made at 43s. 6d., and a few sales resulted.

During August quotations for September-October shipment ranged around 39s., and most of the business was placed at this figure. Later in the season one or two parcels were sold at 37s., but shortly after that time the market advanced, and sales were made at 42s. 6d. and 43s. 6d., September-October shipment. At the present date Extra Choice quality for prompt shipment overland are being offered at 48s. Most of the packers, however, have withdrawn, and the principal activity is in the resales of spot stocks which have reached a level of from 58s. to 60s.

The prices above-mentioned are for Extra Choice sliced evaporated apples for shipment overland. Fruit sent by this route commands a premium of about 1s. 6d. to 2s. per cwt. over all-water shipments via the Panama Canal. This is attributable to the higher freight rates in the former instance, and also to the fact that apples sent through the Panama Canal are susceptible to discolouration from heat.

Extra Choice quarters were offered at the beginning of the season at around 42s. per cwt. c.i.f. for 50-pound boxes for September-October shipment. Little business was done in this class of fruit, however, and quotations were discontinued.

CALIFORNIA

Offers on so-called early varieties of California evaporated apples commenced to be made in July.

Throughout the early part of the season packers were quoting, with limited success, prices ranging from 2s. to 3s. under the Washington-Oregon quotations. Generally speaking, however, no large volume of business was done. The quality of the Washington-Oregon fruit is so definitely superior that buyers pay more for this in preference to the Californian, and where price is a consideration Canadian apples secure the trade.

In the middle of July some sales of California Standards were made to houses for the ship store trade at 36s. 6d. c.i.f. This price, however, did not interest the majority of buyers.

IMPORTS FROM CANADA

United Kingdom imports from Canada of "dried tree fruits" during the first ten months of 1935 totalled 1,488 cwts. compared with 2,572 cwts. in the corresponding period of 1934. These figures have been published by the Imperial Economic Committee, and may be taken as relating entirely to dried apples.

COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

BUSINESS CONDITIONS AT SYDNEY

Sydney, December 5, 1935.—Business has improved very much at Sydney recently with good prospects for the immediate future. Country orders are indicative of a strong demand, and retailers are putting in larger stocks. The outlook for the disposal of Australia's surplus products appears to be improving.

Wool has been selling very freely, all the best market features being in evidence from day to day with hardening prices. The top price paid so far this season, for a good line of greasy wool, is 29½d. per pound.

The state wheat crop is now being harvested, but unfortunately heavy rain has to some extent interfered with operations and at the same time considerably damaged some crops.

There has been a great increase in building activity, and there is every indication that it will continue.

AUSTRALIAN CANNED FRUIT INDUSTRY

Fruit-canning is one of Australia's important industries, and canneries are established in each of the states. The principal fruits canned are apricots, pears, peaches, and pineapples. The main production of canned fruits is carried out on the irrigation areas of the states of Victoria and New South Wales. The expansion of the industry has been remarkable. Twenty-five years ago the production of canned fruits was negligible, and there was practically no export trade. The quality of the fruit canned is first-class and it is processed under the most rigid official supervision.

The value of canned fruits exported in the year ended June 30, 1934, was £954,101 and for the previous fiscal year £997,191.

HIGH COST OF MOTORING IN AUSTRALIA

The cost of motoring in Australia is very much higher than in many other parts of the world.

A car that would cost approximately £170 in Canada would be sold in Australia in the neighbourhood of £400. The difference in cost is accounted for by customs duty, primage, freight, exchange, and other charges. Very few bodies are now imported; the cost of these in Australia is greater than abroad.

In addition, the price of petrol is much higher, being 1s. 9d. per imperial gallon. In 1914 the duty was one halfpenny per gallon for British and three-quarters of a penny for foreign. Gradually this has been increased until now the duty is 7½d. per gallon.

Examination of the history of the petrol tax shows that the original object of raising funds through it for road construction throughout the Commonwealth has been relegated to the background; nearly two-thirds of the tax is now being paid into revenue.

FUTURE OF WHEAT-GROWING IN NEW SOUTH WALES

The Department of Agriculture reports that, owing to the unpromising future for wheat, many growers are endeavouring to change over to other forms of production.

The Australian farmer generally is a stayer; one who will give up only under the most unbearable conditions. But the wheat industry has become so acutely unsettled that many growers of this grain have been compelled to turn to other activities, such as the raising of fat lambs and wool growing, and they have received encouragement from the rising markets.

SYDNEY WOOL SALES

Competition in the Sydney market has been widespread. Yorkshire, Japanese, French, German, Belgian, and Australian millmen have operated very freely. North America has been a good buyer of spinner's wools of attractive length. Competition for wool from Japanese buyers has been one of the most important factors at this season's Australian sales. In the year ending June 30, 1914, exports of wool from Australia to Japan were 20,500 bales; in the 1935 fiscal year the total had increased to 709,686 bales.

Sales on the Sydney market to date this season totalled 540,734 bales compared with 350,342 bales to the similar date last season.

Prices for Bradford tops have recently recovered to the basis when the Sydney selling season opened, and are much in advance of the figures at the close of November, 1934. Quotations for 64's merino tops have not been under the 30-pence mark since last August. It is worthy of note that while merino tops are 25 to 30 per cent dearer than twelve months ago, fine crossbreds are only about 15 per cent higher, and medium and coarse crossbreds 10 per cent higher.

ALCOHOLIC BEVERAGES IN BRITISH MALAYA

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values in Canadian currency, except where specifically indicated.
Conversion rate: S\$1 equals 58 cents Canadian)

Singapore, November 27, 1935.—This report has been prepared in response to requests from Canadian manufacturers and exporters of alcoholic beverages. While special attention has been given to presenting in detail the position with respect to those products in which Canadian exporters are interested, some comments have been made on other beverages in order to give a complete picture of the market in this country.

POPULATION

Every report on British Malaya is rendered the more intelligible if the composition of the population of the country is brought to the attention of the

reader. The total population of the country is approximately 4,500,000, of which slightly over 2,000,000 are Malays, 1,750,000 are Chinese, over 600,000 are British Indians, roughly 60,000 are other foreign orientals, under 20,000 Europeans, and about 17,000 Eurasians. The latter two classifications totalling about 37,000, constitute the only group whose patronage of Canadian alcoholic beverages can be considered potential. To this might be added an estimated number of better-class Chinese totalling no more than (say) 50,000, but in the remarks hereunder it will be found that the Chinese population, generally speaking, consume beverages that are not manufactured in Canada, viz., brandy and samsoo.

VALUE OF IMPORTS

All tropical countries are large consumers of alcoholic beverages and British Malaya is no exception, despite the cosmopolitan nature of the population. Imports of alcoholic beverages in 1934 totalled in value almost \$2,750,000. The ports of Singapore and Penang are important redistribution centres and alcoholic beverages to the value of over \$350,000 were re-exported to nearby countries such as the islands of Netherlands India, the States in Borneo (Brunei, Sarawak, and North Borneo), Hongkong, Siam, and the Philippines. The net consumption in Malaya was therefore valued in the year 1934 at about \$2,400,000.

NOTES ON COMMODITIES

There follow comments on the various items entering into the above totals. The headings are arranged in the order of their importance:—

SPIRITUOUS LIQUORS

Whisky.—Imports of whisky in 1934 were 113,902 gallons (\$633,136) against 101,201 gallons (\$575,767) in 1933 and 103,220 gallons (\$603,462) in 1932. The United Kingdom regularly supplies about 98 per cent of these imports; the quantities from that source in the three years respectively were 113,554, 100,767, and 102,884 gallons. Canada's shares in the three years respectively were 200, 220, and 170 gallons; Japan's, 108, 210, and 160 gallons; the Irish Free State's, 22, nil, and 6 gallons. Re-exports of whisky totalled 4,629 gallons in 1934, 4,142 gallons in 1933, and 4,814 gallons in 1932.

The demand here is preponderantly in favour of Scotch whisky. One brand enjoys over 40 per cent of the trade and two others have about 25 per cent each. The remainder of the business is shared among about two dozen other brands, each more or less actively pushed by an import firm holding the exclusive agency.

There is practically no sale for whisky in bottles smaller than one quart. The standard price for the well-known proprietary brands is 45s. per case of one dozen quarts, f.o.b. United Kingdom ports. The duty on a case is S\$19 (approximately \$11), and the importers' wholesale price to the trade, ex duty, is S\$22 (\$12.75); i.e., with duty the case costs the dealer S\$41 (\$23.75). Retail prices for some twenty-five different brands of Scotch whisky range from S\$2.60 to S\$4.35 (\$1.50 to \$2.50) per quart, with the proprietary brands at S\$3.50 (\$2.05).

Rye Whisky.—The foregoing statistics showing imports from Canada and the Irish Free State indicate the extent of the demand for rye whisky. It is relatively unimportant; one widely known Canadian brand enjoys most of the business. Until a few years ago the local demand for this brand was negligible and sales were principally to the tourist ships. During the past few years, however, high-balls and cocktails containing rye whisky have become better known

and can now be obtained in the clubs and hotels. This is due partly to the presence of a larger number of American people in the community and partly to the work of the distributors. Persons who have been quite unfamiliar with rye whisky have learned of it through personal contact.

The opinion of the trade is that the demand for this well-introduced brand is slowly growing. The general preference, however, continues to be for Scotch whiskies, and it is most unlikely that another brand of rye whisky could be successfully introduced. A new brand selling at the same price could not be expected to take business from the well-known brand. Selling at a lower price, a small volume of business might be done, but generally if persons want rye whisky they are not deterred from buying it because of the price, and cheapness might cause buyers to question the quality. Widespread advertising might help, but it is generally believed by the trade that the amount that would have to be expended would be much more than the potential business warrants.

The present retail price for Canadian rye whisky is S\$3.65 (\$2.12) a quart.

Liqueur Whisky.—There is practically no sale for liqueur whisky in this country. Most people prefer to buy a cheaper general-purpose whisky that can be taken with soda or water. The price for liqueur whisky is 65s. a case f.o.b. United Kingdom ports and to this is added the local duty of S\$19 (\$11) a case. The retail price is about S\$5 (\$2.90) a quart.

Brandy.—This beverage comes next in importance because it is the drink of all classes of the Chinese population socially above the coolie class. The statistics of imports given below will reveal a tremendous increase in total imports and the growing importance of Empire brandy, especially Australian, in the market as a result of British preferential duties and the demand for lower-priced brandy during the slump years.

Total imports of brandy in 1934 were 112,713 gallons valued at \$543,649 against 69,152 gallons valued at \$351,313 in 1933 and 49,146 gallons valued at \$265,262 in 1932. Of these quantities, re-exports in the three years were 3,563 gallons, 3,474 gallons, and 4,110 gallons respectively. The sources for the imports with quantities for the three years respectively were: France, 55,875, 44,633, and 45,673 gallons; Australia, 53,218, 22,277, and 1,743 gallons; South Africa, 1,590, 1,036, and 385 gallons.

One Australian brand is unquestionably the best seller at the present time, though there are several others from Australia on the market. The sale of South African brandy is comparatively small, but it appears to be growing. Australian brandy retails at about \$1.60 a quart, South African at about \$1.65, and French from about \$2.05 to \$2.60.

Samsoo.—This beverage is consumed almost entirely by the lower-class Chinese and other immigrant orientals. Imports from China (80 per cent) and Hongkong (20 per cent) totalled 167,562 gallons (\$172,272) in 1934 against 96,262 gallons (\$102,327) in 1933 and 73,398 gallons (\$77,500) in 1932. Re-exports in the three years respectively totalled 65,801, 42,283, and 39,199 gallons.

Gin.—The United Kingdom is the source of supply for the bulk of the gin consumed in British Malaya. Total imports in 1934 were 28,944 gallons (\$88,678) against 29,098 gallons (\$88,313) in 1933 and 28,478 gallons (\$87,320) in 1932. Of these totals the United Kingdom supplied 22,868 gallons, 23,214 gallons, and 23,298 gallons, and Holland 5,706, 5,844, and 5,147 gallons in the three years respectively. Re-exports in the three years were 3,681, 2,887, and 2,895 gallons.

The demand for Holland gin comes from the small Dutch population in British Malaya and for ships' supplies. Thirty-five per cent of the demand for English gin is enjoyed by one well-known brand, 20 per cent by a second, 15 per cent by a third, and two others have about 10 per cent each. The small

balance is shared by another half-dozen brands. London dry gins, 22 per cent to 23 per cent under proof, are the most popular. Price is uniformly 19s. a case of one dozen quarts, f.o.b. United Kingdom ports. The duty is \$11 a case, and the retail price for all popular English gins is \$1.60 per quart. Dutch gin is \$2.32 per litre and \$1.22 per half-litre.

Arrack.—This beverage, like samsoo, is cheap and is consumed mainly by the Chinese and British Indian communities. Imports are entirely from Java and in the year 1934 totalled 145,585 gallons (\$67,760) against 123,597 gallons (\$54,240) in 1933 and 144,095 gallons (\$57,237) in 1932. Re-exports in these years respectively were 1,179, 293, and 3,424 gallons.

PORTER, BEER, AND ALES

Porter and Stout.—Imports in 1934 totalled 340,445 gallons (\$466,284) against 202,730 gallons (\$302,469) in 1933 and 188,225 gallons (\$301,279) in 1932. Re-exports in the three years were 11,631, 8,519, and 8,638 gallons respectively. The United Kingdom is the main source for the imports with 335,661, 201,230, and 186,897 gallons, followed by the Irish Free State and China with relatively small quantities. Pint sizes are the most popular, and these sell retail at from \$2.75 to \$3 per dozen.

Beer and Ale.—In 1927 imports into British Malaya under this heading totalled 954,609 gallons (\$1,276,472), and the United Kingdom, Germany, Holland, and Denmark were important suppliers. In 1932 two breweries were opened in Singapore, the one marketing one brand through large manufacturers and distributors of aerated waters, who are part owners of the brewery, and the other marketing two brands through two large import firms. These three brands now enjoy the bulk of the business in lager beer. The one brand does about 3,000 cases monthly and each of the other two about 1,000 cases monthly.

Imports of beer in 1934 were 336,629 gallons (\$279,788) against 305,832 in 1933 and 496,886 gallons (\$527,235) in 1932. Re-exports in the three years respectively totalled 142,087, 116,893, and 104,118 gallons. It will be observed that the net consumption of imported beers in British Malaya is decidedly reduced by these re-export figures, although they include large exports of locally brewed beer.

The main source of supply for imported beer is still the United Kingdom with 167,274, 144,159, and 229,839 gallons in the three years respectively. Japan is growing in importance as a source of supply; imports in the three years respectively were 89,792, 50,678, and 53,756 gallons. Other sources with quantities for the three years respectively were: Germany, 37,488, 59,526, and 100,356 gallons; China, 28,450, 40,511, and 70,527; Denmark, 7,962, 5,667, and 24,794; Norway, 2,958, 1,440, and 350; Holland, 224, 2,567, and 12,217; Australia, 884, 1,068, and 4,754 gallons.

Beer from Canada would be in competition with the locally brewed and that imported from the United Kingdom and the Continent of Europe. One English brand enjoys general popularity, but its sale has been decidedly restricted since the opening of the local breweries. Only part of the small European population regularly buy imported beers; the majority of Europeans here drink the locally brewed beer. Chinese, Indians, and Eurasians drink the local beers for the most part, and if they do buy imported beers it is the cheaper beverages from Japan and China.

It is impossible for imported beer of equivalent quality to compete in price with the locally made beers, which, incidentally, are of quite high grade. The local beers enjoy the advantages of freedom from ocean freight, low labour costs in their production, and a great saving in bottle and case costs since they can buy back all empties. Moreover, the duty on imported beer of foreign origin

is S\$1.30 (\$0.75) a gallon; on beer of British origin S\$1.20 (about \$0.70) a gallon, while locally made beer pays an excise of only 84 cents Straits (\$0.49) a gallon. Altogether local beers have an advantage of about \$1.25 per case without considering ocean freight costs.

The retail price for the best selling English beer is \$3.96 per dozen quarts and \$2.15 per dozen pints, with no refund for the empties. In order to have any sale, other imported beers must be at least the same price or cheaper. Local beers retail at \$3.19 per dozen quarts and \$2.22 per dozen pints, but there is a refund on empty bottles of 3 cents Straits for quarts and 2 cents Straits for pints. The net price therefore is \$2.88 per dozen quarts and \$1.78 per dozen pints for the local beers.

In order to have any opportunity, a Canadian beer would have to be landed in Singapore at about \$3.50 a case of four dozen quarts or six dozen pints, and to this would be added an import duty amounting to about \$8.35 and the importers' and retailers' profits, together totalling about \$3.50. Successful introduction would depend entirely on the extent of the advertising, and it is doubtful that the resulting business would repay the amount of advertising that would be necessary.

WINES, ETC.

British Malaya's imports of wines are classified in statistics under the following headings. Totals for the three years 1934, 1933, and 1932 respectively are shown:—

Sparkling wines not exceeding 42 per cent proof spirit: 5,828 gallons (\$59,324), 3,160 gallons (\$31,199), and 3,031 gallons (\$28,546). The main source is France, followed by Germany, Greece, the United Kingdom, and Australia. Re-exports in these years respectively were 195, 350, and 345 gallons.

Still wines (including medicated wines) exceeding 26 per cent but not exceeding 42 per cent proof spirit: 30,660 gallons (\$152,074), 18,251 gallons (\$80,469), and 16,631 gallons (\$73,051). The main source is the United Kingdom, which supplies European wines from stocks kept usually in London as well as patented invalid wines, followed by Spain, France, Portugal, and Italy. Re-exports were 2,190, 2,495, and 1,110 gallons.

Still wines (including medicated wines) not exceeding 26 per cent proof spirit: 36,659 gallons (\$87,850), 25,438 gallons (\$72,586), and 25,358 gallons (\$66,514). The main sources are Italy, France, Holland, Spain, Germany, and England. Re-exports were 4,172, 1,881, and 2,389 gallons.

Bitters and Liqueurs.—Imports under this heading have shown a large increase in recent years. All the well-known liqueurs and liqueur brandies, angostura and orange bitters enjoy a good demand. Imports in 1934 were 8,033 gallons (\$60,936) against 4,811 gallons (\$29,778) in 1933 and 3,251 gallons (\$21,412) in 1932. The main sources are France, Denmark, the United Kingdom, and Holland. Re-exports in the three years respectively were 421, 355, and 200 gallons.

The only other headings in local statistics are rum, saké, cider, and perry, all of which are unimportant. Imports of rum (sources: Australia, Hongkong, Central and South America) were 1,144 gallons (\$2,713) in 1934, 1,742 gallons (\$3,433) in 1933, and 1,668 gallons (\$3,155) in 1932. Imports of saké, entirely from Japan, were 2,343 gallons, 2,087 gallons, and 2,148 gallons in the three years respectively. Imports of cider and perry are almost entirely from the United Kingdom. The total in 1934 was 436 gallons; in 1933, 688 gallons; and in 1932, 469 gallons.

DISTRIBUTION

There are two firms in British Malaya specializing in the importation and sale of alcoholic beverages. There are also two companies operating department

stores in the main cities of the country who distribute not only through their own shops but wholesale to the general trade. For the most part, however, distribution is through the large, usually British, general import firms. Importers buy for their own account on a cash-against-documents basis and sell from stock to the clubs, hotels, and retail stores. Most of the latter are run by Chinese, and they handle liquors and wines under licence along with groceries and other provisions. Competition between these shops is keen and their business is conducted on the narrowest margin of profit.

ADVERTISING

All the well-introduced and popular beverages are backed by extensive advertising campaigns. The advertisements appear in newspapers and all local publications, theatre programs, and lantern slides which appear in the cinema during the intervals, billboards, etc. In addition, certain manufacturers assist their agents by distributing advertising tokens such as paper weights, paper knives, ash trays, etc., to selected lists comprising the most prominent European and Chinese residents.

The general opinion of importers here is that if advertising of a brand of liquors is undertaken it must be thorough. The importer of one of the best selling brands of Scotch whisky states that the manufacturers spend between £2,000 and £3,000 annually on advertising of all kinds in British Malaya. Some manufacturers who are endeavouring to introduce their products have offered their agents an advertising allotment of £100 a year. This sum is considered to be quite inadequate. The opinion is general that the distribution of miniature samples does very little or no good even if they are mailed to a most carefully selected list of residents. Moreover, the importers are not in favour of this method since they must pay fairly heavy import duties on the miniatures, and they are not disposed to do this when the results from the distribution are not more satisfactory.

The best form of advertising in this country is the personal contact of the distributors with a wide circle of acquaintances in private homes, the clubs, and hotels. Even this presents difficulties since most influential people in British Malaya are the heads of import firms who usually have their own agencies for alcoholic beverages and which they themselves push at every opportunity.

LABELLING

The pure food laws of British Malaya require that all labels on beverages sold in this country bear the name and address of the manufacturer, the country of origin, and the name of the importer. Labels should be dignified and attractive and the name of the product should be given prominence.

CUSTOMS DUTIES

Customs duties are payable on all intoxicating liquors upon release from bond for consumption in all the political divisions of British Malaya, viz: Straits Settlements, Federated Malay States, Johore, Kedah, Perlis, Kelantan, and Trengganu. Each division levies the duty upon importation into its area and all are fairly uniform. Full details are on file with the Department of Trade and Commerce at Ottawa and may be obtained upon application.

PROSPECTS FOR CANADIAN MANUFACTURERS

It will have been observed that British Malaya is a fairly large buyer of all kinds of alcoholic beverages. Business in these lines may be expected to increase as the return to better times proceeds in all parts of the world and, with

reference to this country especially, as the effects of the rationalization of the tin and rubber industries by means of international restriction schemes become more apparent. Another factor that is expected to increase the sale of liquors is the increase in the Navy, Army, and Air Force units stationed at Singapore. However, it should be remembered in this latter connection that these forces are brought from the United Kingdom, and when imported liquors or beers are purchased the preference is always for the familiar brands of the Old Country.

The opportunities for the sale of Canadian alcoholic beverages in this market are definitely restricted. One brand of Canadian rye whisky appears to be obtaining all the business available, which, as the foregoing comments indicate, is limited. A high-quality Scotch-type of whisky might be introduced if it were offered at competitive prices, although, as indicated elsewhere, it is not easy to persuade people to change from their accustomed brands. The same remarks apply to gin; a consistently good quality dry gin at a competitive price might be introduced subject to the qualifications mentioned.

For Canadian lager beers there would be practically no market. Well introduced and firmly established brands from the United Kingdom and European countries have been, with one exception, almost replaced by the locally brewed beers. The disadvantage of ocean freight alone would render it practically impossible to sell any worthwhile quantities of Canadian beers in Malaya. A local importer has recently accepted the agency for a famous Czechoslovakian beer known to all Europeans and sold in England. This will be offered at prices competitive with imported English beer, and it will probably be backed by advertising. The importer does not anticipate a turnover comparable to that of the English beer. The demand will come from only a limited number of European residents.

In every case successful introduction of a new brand depends entirely on the choice of agents and advertising. The former presents some difficulty since the best and most active firms already have agencies for competing lines. The question of advertising is vital; a Canadian exporter wishing to enter or increase his turnover in this market can do so only by means of a carefully planned advertising campaign, supported by the personal contacts of the distributors.

Although little encouragement has been given in this report to Canadian exporters who might be considering export to this market, every assistance will be given to firms who are prepared to make a serious effort to introduce their products. Offers should be sent to the Acting Trade Commissioner at Singapore and should be accompanied by full particulars, viz., c.i.f. Singapore prices, samples, specimen advertising folders, etc., and details of the extent to which exporters are prepared to pay the cost of advertising.

MARKET CONDITIONS FOR POTATOES IN BRITISH MALAYA

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values in Canadian currency except where specifically indicated.
Exchange rate: S\$1 equals 58 cents Canadian)

Singapore, December 2, 1935.—No merchantable quantities of potatoes are grown in British Malaya, and the country's requirements are almost entirely taken care of by imports. Statistics of potato imports into British Malaya show that there is a growing demand. Total imports in 1934 were 13,361 tons (\$297,675) against 8,408 tons (\$252,653) in 1933 and 7,351 tons (\$291,503) in 1932.

It will be noted that while quantities have almost doubled in the three years, the total value shows only a slight increase. The reason for this is the substitution of Japan in the place of Netherlands India (Java and Sumatra) as the main source of supply because of the lower prices offered by Japan. In 1932 imports from Japan totalled only 946 tons. In 1933 imports from that source increased to 3,788 tons and in 1934 to 10,558 tons. In the same years imports from Netherlands India were 4,414, 2,896, and 1,775 tons respectively. Other sources of supply with quantities for the three years 1932, 1933, and 1934 respectively were: China, 1,459, 676, and 637 tons; United States, 121 tons, 1 ton, and 1 ton; Egypt, 89, 324, and 86 tons; Holland, 27, 57, and 93 tons; Australia, 62, 109, and 9 tons; Burma, 47, 253, and 12 tons; United Kingdom, 3, 6, and 4 tons; and Canada, 102, 138, and 104 tons.

Of the total imports, re-exports in the years 1934, 1933, and 1932 respectively were 734, 223, and 196 tons, mainly to the islands of Netherlands India and the States of British Borneo (Brunei, Sarawak, and North Borneo).

MARKET'S LIMITATIONS

The population of Malaya is approximately 4,500,000, of which only about 20,000 are Europeans, 17,000 Eurasians, some 1,750,000 Chinese, 2,000,000 Malays, over 600,000 British Indians, and about 60,000 other foreign orientals. The majority of the population eat rice as a staple diet. Only the Europeans and some of the well-to-do Chinese and Eurasians consume potatoes as a regular part of their diet, and of these only a limited number are prepared to pay the relatively high price for Canadian potatoes as opposed to the lower-priced supplies from Japan. Another outlet is for the supply of ships, but most of these buy on a price basis and Japanese potatoes satisfy their requirements.

PRICES

Japanese potatoes of fair size and quality packed in wooden crates of 133½ pounds (i.e., one picul) are being offered to the trade at the time of writing at prices equivalent to \$21.75 Canadian per ton of 2,000 pounds. This price is the landed cost in Singapore and includes the importer's profit, which in the case of Japanese potatoes is small. The c.i.f. Singapore price of Japanese potatoes is probably between \$19 and \$20 Canadian a ton. The small demand for higher-quality potatoes is being supplied mainly by Canada; one British Columbia shipper enjoys most of the business. Mainly No. 2 grade is being supplied. Shipment from British Columbia is usually by C.P.R. steamers with transshipment at Hongkong. Direct sailings are offered by the Silver-Java Pacific Line, but delivery by this routing is much slower.

While only British Columbia potatoes have been offered here to date, there might be an opportunity for Eastern Canadian potatoes, although the long freight haul would render it difficult for such supplies to compete in price. However, if East Coast shippers care to go into this question, c.i.f. Singapore prices, based on shipment by the steamers of the Java-New York Line ex Halifax, should be submitted to the Acting Trade Commissioner at Singapore, who is in close touch with all the buyers and can report at once on the prospects for business. No large turnover can be expected unless prices are competitive with Japanese.

LOCAL PRODUCTION

As stated at the outset, the production of potatoes in British Malaya is negligible. The Department of Agriculture of the Malayan Governments is endeavouring to encourage local production, and tests are being conducted at Government Experimental Stations in the highlands of British Malaya. A

sample quantity of Canadian seed potatoes, representing four varieties, viz. Green Mountain, Netted Gem, Irish Cobbler, and Up-to-Date, was planted in a test area. A further test was conducted on a sample quantity of standard No. 2 Canadian table potatoes (Netted Gem). It was found that these Canadian varieties were unable to withstand a "blight" which is prevalent in this tropical country, and it would therefore appear that no useful purpose will be served in pursuing investigations along these lines, particularly when no market for seed potatoes exists at present.

MOTOR CAR AND TIRE TRADE OF INDIA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, December 11, 1935.—During the past fiscal year ending March 31, 1935, India imported motor vehicles to the extent of Rs.46,600,000. The world depression in trade adversely affected the imports of motor cars into India, receipts falling to 12,601 in 1930-31 from 17,399 in 1929-30. In 1931-32 only 7,220 cars were imported and in 1932-33 the number came down to 6,201.

Normal replacements as well as a slight improvement in the general situation were responsible for the increase in 1933-34, and in that year 9,759 cars were imported. In the year under review a further approach to the pre-depression level was made and 14,434 cars were imported.

MOTOR CAR IMPORTS BY COUNTRIES

The following table shows imports of motor cars from the principal countries of consignment during the last six years:—

Year	United Kingdom	United States	Canada	France	Italy	Other Countries	Total
1929-30..	3 758	9,620	2,318	364	1,150	189	17,399
1930-31..	2,885	5,098	3,250	261	917	190	12,601
1931-32..	2,178	3,368	676	161	510	327	7,220
1932-33..	3,958	1,201	296	84	226	436	6,201
1933-34..	5,348	2,227	1,715	62	221	186	9,759
1934-35..	6,311	5,564	2,057	26	267	209	14,434

As compared with the preceding year (1933-34) there was an increase of 963 in the case of British cars, 3,337 in the case of cars consigned from the United States, and 342 in the case of Canada.

NOTES ON THE IMPORTS

MOTOR CARS

In India, British motor cars, while still retaining the major share of the trade, and even advancing on the previous year's record, in spite of a tariff preference of 7½ per cent, were able to secure only 21 per cent of the total increase in imports over 1933-34; the United States secured 71 per cent of the increase. Imports from the United Kingdom were valued at Rs.12,400,000, those from the United States at Rs.9,300,000, and from Canada at Rs.3,300,000.

The average declared value of motor cars imported from the United Kingdom in 1934-35 was Rs.1,968, of those from the United States Rs.1,678, and from Canada Rs.1,615 as against Rs.1,985, Rs.1,631, and Rs.1,488 respectively in the preceding year.

BUSES, VANS, AND LORRIES

The number of motor omnibuses, vans, and lorries imported increased from 5,496 to 9,973, while the value registered rose from Rs.6,600,000 to Rs.12,100,000. Here again the United States, which has always held first place, increased her

number from 3,692 to 6,559, while consignments from Canada and the United Kingdom increased from 1,243 and 528 to 2,058 and 1,171. But while the United Kingdom occupies only third place in this branch of the imports, the advance made was notable in that her shipments to India in the year under review were the highest in recent years.

In the case of buses and lorries, only a very small number are now imported complete with bodies. The average declared value of chassis imported from the United Kingdom in 1934-35 was Rs.2,002 and that from the United States Rs.1,014, as compared with Rs.2,020 and Rs.977 in the preceding year. That the United Kingdom was able, in spite of the wide disparity in prices between her products and those of her competitors, to extend her trade augurs well for the future of her trade in heavy motor vehicles.

The following table shows the total number of motor omnibuses, etc., imported during the last six fiscal years:—

Year	United Kingdom	United States	Canada	Other Countries	Total
1929-30	398	12,017	2,799	92	15,306
1930-31	258	6,197	2,397	61	8,913
1931-32	435	3,236	598	33	4,302
1932-33	517	1,793	338	28	2,676
1933-34	528	3,692	1,243	33	5,496
1934-35	1,171	6,559	2,058	185	9,973

MOTOR COVERS

Pneumatic motor covers imported into India in 1934-35 totalled 327,477 (Rs.20,600,000) as against 311,302 in the preceding year, the value of the imports being Rs.12,440,000, which represented about 60 per cent of the total value of the imports of rubber manufactures into India.

The United Kingdom is credited with 228,621 and the United States with 37,593 motor covers in the year under review as compared with 197,411 and 37,377 respectively in 1933-34. Imports from Canada fell from 21,629 to 12,272, and those from Italy from 10,521 to 3,648. There was an increase in the imports from Germany; these totalled 14,815 covers. France's consignments declined from 7,309 to 1,842.

MOTOR TUBES

Pneumatic motor tubes also were imported in larger numbers, the total being 314,300 (Rs.1,750,000) as against 284,919 (Rs.1,540,000) in the previous year. The United Kingdom, the United States, and Germany are credited with 248,849, 30,463, and 11,341 tubes as against 205,810, 21,406, and 7,895 respectively in the previous year, while imports from France and Japan declined from 16,095 and 14,861 in 1933-34 to 2,278 and 12,156 respectively in the year under review. Of 4,775 solid rubber tires for motor vehicles received in the year under review, 3,355 were received from the United Kingdom. The imports of these tires were 1,595 more in number than in the previous year.

CEMENT FACTORY FOR CEYLON

Mr. R. T. Young, Canadian Trade Commissioner in Calcutta, writes under date December 9, 1935, that the first cement factory in Ceylon is to be erected shortly at Trincomalee. Plans of construction have been prepared by an expert from Bengal, and others from Europe are at present engaged in settling the final details as well as making a survey of the available resources of limestone, bauxite, and other materials.

It is hoped to have the factory ready for operation before June, 1936, and to supply the bulk of the Government's requirements. At present cement is imported principally from Japan and the United Kingdom.

CONDITIONS IN THE HONGKONG MARKET FOR WHEAT FLOUR

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(One picul equals 133½ pounds. The average exchange rate for August to October has been 49½ cents)

Hongkong, November 30, 1935.—Hongkong Trade and Shipping Returns for the last three months available—viz., August, September, and October—show imports from all sources amounting to 419,049 piculs (HK\$2,078,892) as against imports of 346,102 piculs (HK\$2,203,228) during the similar period of 1934.

Classified by countries of origin, Australia was the largest supplier during the three months with 289,826 piculs (HK\$1,347,653), followed by Canada with 77,282 piculs (HK\$457,068), the United States with 17,706 piculs (HK\$98,187), and North China with 31,423 piculs (HK\$168,277).

During the past two months prices have advanced spasmodically with short periods of buying activity, but latterly have declined with equal regularity. A sharp upward movement was characteristic of the October market, probably in response to the unsettling influence of the Italian-Ethiopian problem.

As at the close of September, Australian flour prices advanced from £7 6s. 9d. per ton of 2,240 pounds to £7 17s. 6d., but subsequently, on a report on the visible supply of wheat in Canada, weakened, as did quotations on flours of the other supplying countries. At the present time Australian flour is quoted at £6 17s. per ton of 2,240 pounds, while the selling price of Canadian flour has declined from US\$4.26 per barrel c.i.f. Hongkong at the close of September to US\$4 per barrel c.i.f. as at November 30.

On the whole, the outstanding feature of trade during the period has been the disorganization of business in general following on the demonetization of the Chinese silver dollar and the establishment of a managed paper currency (see *Commercial Intelligence Journal* No. 1667: January 11).

Following on the devaluation of the local dollar, wholesale prices ex stock in local warehouse advanced to the following quotations, with practically no business being reported:—

	Per Bag	Equivalent to
Australian flour	HK\$2.20/2.45	£6 6s. 0d./£7 1s. 0d. per ton
Canadian cut-off	HK\$2.15/2.75	US\$2.95/3.80 per barrel
U.S. White Club straight. . .	HK\$2.80/3.10	US\$3.90/4.30 per barrel
U.S. 2nd clear	HK\$2.40	US\$3.30
Shanghai flour.	HK\$2.50/2.60	ex godown

Present stocks on hand in Hongkong are estimated at 298,500 bags, of which 210,000 bags are of Australian origin, 65,000 Canadian, 14,000 American, and 9,500 Shanghai.

TRADE OF MAURITIUS FOR 1934

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

(One rupee equals 1s. 6d.)

Cape Town, November 28, 1935.—Mauritius has under cultivation 173,589 acres, or 37·8 per cent of the area of the colony. Of this acreage, 138,309 is devoted to sugar cane, and the remainder produces aloes, vegetables, and small quantities of corn, potatoes, fruits, manioe, and tobacco. Live stock includes 14,615 head of cattle.

There are some 2,000 persons engaged in fishing, utilizing 1,122 boats and landing roughly 1,500 tons of fish annually, valued at Rs.60,000.

INDUSTRIES

The industries are very small, employing altogether about 2,500 persons, and consist principally of baking, lime burning, salt making, distilling, cabinet-making, tobacco manufacture, and a match factory. Industries of lesser importance include fruit canning, pottery, leather tanning, boot and shoe making, and biscuits.

As a result of the prolonged drought, the sugar crop only amounted to 176,038 long tons, a reduction of 32 per cent from the previous year. Coupled with a reduced crop, the colony suffered a further loss in the selling price of sugar, which in 1934 was approximately Rs.6 per 110 pounds as compared to Rs.6.061 in 1933.

There was also a greatly reduced acreage in tobacco. In 1933 the area amounted to 2,081 acres, whereas in 1934 it was only 982 acres.

The total volume of trade of Mauritius for the year 1934, excluding bullion and specie and coastal trade of re-exports, amounted to Rs.54,709,156 as compared with Rs.61,211,980 rupees in 1933 and Rs.54,655,611 in 1932.

IMPORTS, EXPORTS, AND TOTAL TRADE

The following table shows the distribution of imports, exports, and total trade on a percentage basis for the years indicated:—

	Imports			Exports			Total Trade		
	1932	1933	1934	1932	1933	1934	1932	1933	1934
United Kingdom. . .	24.1	32.5	29.9	97.1	96.6	95.1	61.0	66.2	59.2
British possessions . .	46.8	38.1	45.4	0.4	0.9	4.1	23.4	18.6	26.5
Foreign countries . .	29.1	29.4	25.6	2.5	2.5	0.8	15.6	15.2	14.3

IMPORTS OF MERCHANDISE

The value of imports, based on the c.i.f. value for 1934, was Rs.29,680,346 as compared with Rs.29,035,237 in 1933 and Rs.26,992,760 in 1932.

In percentages, the following table shows the total imports from the six main countries exporting to Mauritius:—

	1932	1933	1934
India	37.0	29.0	34.1
United Kingdom	24.0	32.5	29.0
Australia and New Zealand	5.0	4.0	5.2
Japan	5.5	6.0	4.5
France	5.5	5.0	4.4
United States	6.0	3.5	3.9

During the same years the percentages credited to Canada were: 1932, 2; 1933, 1.48; 1934, 0.84.

After losing first place last year as a supplier of merchandise, India regained it in the year 1934, the United Kingdom dropping back to second place. The increase was accounted for by larger imports of foodstuffs, composed chiefly of dhol, lentils, and rice.

PRINCIPAL SOURCES OF SUPPLY

The principal articles imported from the leading sources of supply are:—

United Kingdom.—Ammonia sulphate, soap, cotton piece-goods, motor vehicles and parts, galvanized iron sheets, industrial machinery, woollen piece-goods, paint, coke and manufactured fuel, confectionery, drugs and medicines, leather boots and shoes, cotton thread, hardware.

Australia.—Wheat, flour, butter, railway ties, timber, bran.

Canada.—Motor cars and accessories, motor trucks and parts, preserved foodstuffs.

Ceylon.—Tea.

India.—Rice, gunny sacks, saltpetre, grain and flour, spices, mustard and pistachionut oils, ghee, cotton piece-goods, fish dried and salted, shingles.

Straits Settlements.—Boards and planks.

Union of South Africa.—Coal, fish salted and dried.

Chile.—Soda nitrate.

China.—Lard, silk manufactures.

Dutch East Indies.—Gasolene and coal oil.

France.—Drugs and medicines, wearing apparel, wine, perfumes, olive oil.

Germany.—Street railway equipment, toys, beer.

Holland.—Margarine, cheese.

Italy.—Sulphur, haberdashery and millinery.

Japan.—Cotton piece-goods, silk manufactures, glassware, earthenware and porcelain.

Madagascar.—Cattle, potatoes.

Portugal.—Sardines.

United States.—Gasolene, coal oil, lubricating oils, tobacco unmanufactured, motor cars, electrical goods.

EXPORTS OF MERCHANDISE

Exports in 1934, based on f.o.b. value, amounted to Rs.25,028,810 compared with Rs.32,176,743 in 1933 and Rs.27,662,851 in 1932. The decrease in exports during the year was due to the prolonged drought, which reduced the sugar crop, the principal export item. Copra and poonac was the next principal item, but whereas sugar accounts for approximately 98 per cent of the exports, copra and poonac account for only 0·6 per cent, and aloe fibre is third. The remainder comprised salted fish, preserved fruits, rum, hides and skins, cocoanut oil, wooden furniture, and mats.

Of the total exports (Rs.25,028,810), the United Kingdom took Rs.23,802,032, or, as stated above, 95·1 per cent. Canada purchased to the value of Rs.896,110 or 3·58 per cent, and Hongkong was third with Rs.111,637 or 0·44 per cent. The purchases of Canada and Hongkong consisted solely of sugar.

IMPORTED EGGS IN NETHERLANDS INDIA

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, November 28, 1935.—Although Netherlands India is a large producer of eggs, efforts have been made from time to time to introduce better qualities from abroad. None of these efforts have met with much success. There are sufficient native eggs in the bazaars to meet requirements, but these eggs are so small (average weight 1·1 ounce) that it was felt an outlet might be developed for larger European eggs (average size 2·1 ounces).

The difficulties were those of prices and the inability to land the eggs here in good condition. The prices are unsatisfactory largely because many local chicken farmers have been endeavouring to raise the standard of their eggs by importing pedigreed birds from abroad. (Canada has contributed to this trade, although it has been very quiet in recent years.) These better-class eggs did not command the price premium that had been expected, so that owners had to quote very low prices to dispose of their output, thus spoiling the prices for the imported varieties.

Imports of eggs (including duck and chicken eggs) into Netherlands India in 1934 totalled 2,462,000. Singapore (principally transshipments from China), Hongkong, China, and Penang were the chief sources of supply. The bulk of the imports are taken by the Outer Islands, Java being more than self-supporting as far as eggs are concerned. Imports are principally duck eggs, almost all of which have been boiled and salted, in which form they are much in demand among the native population.

Attempts to ship cold storage eggs or eggs preserved in water-glass or lime have been attempted by the United States, Belgium, Australia, Japan, and the Netherlands. An experimental shipment from the Netherlands comprised a parcel of fresh eggs in cold storage and a parcel of storage eggs sent in the hold. All the eggs shipped in the hold arrived unfit for human consumption, and while the cold storage eggs seemed at first sight to be satisfactory, the keeping qualities proved to be so poor that after a short interval 20 to 25 per cent of the shipment was pronounced unfit for human consumption.

Small parcels of cold storage eggs from Australia are sold in Batavia, but supplies are only available immediately after a vessel has arrived, the importers having found it unprofitable to take the risk of bringing in sufficient stocks to last until another boat can come.

INDUSTRY IN ROUMANIA IN 1934

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

Cairo, December 8, 1935.—As reported in *Commercial Intelligence Journal* No. 1666 (January 4, page 28), industrial production in Roumania has shown considerable improvement during the last two years, and this is reflected in increased imports of raw materials and semi-manufactured goods. The import regulations have been of considerable importance in this respect in shutting out competitive goods from abroad. However, Roumanian manufacturing industries as yet contribute little to the country's export trade, being mainly limited to filling the local requirements.

The production of petroleum, which amounted to 4,800,000 tons in 1929, increased to 7,300,000 tons in 1933, but in the same period the value decreased from 7,400,000,000 lei to 3,300,000,000 lei owing to the fall in the world prices. During 1934 production of crude petroleum increased to 8,472,000 tons, while refined products totalled 2,960,000 tons. Roumania is now fourth among the oil-producing countries of the world.

Progress is also notable in the metallurgical industries, particularly in the production of cast iron and tinplates.

Since 1922 the greatest development is recorded in the textile industry, particularly in silk and artificial silk, where there is considerable competition. The cotton mills, woollens, and knitting industry have also been active.

The leather industry developed greatly after the Great War, but was adversely affected following the trade depression which set in after 1928, which only the larger and better-organized factories were in a position to outlive. Sole leather, harness, upholstery and thick boot uppers are produced in sufficient quantities to supply the home market, but for patent leather, box-calf, kid and chamois, Roumania is dependent to a large extent on foreign sources.

The productive capacity of the plants for the distillery of alcohol from cereals and wine at the present time exceeds the requirements of the local market and import restrictions abroad have forced a number of them to close down.

Vegetable oil production is carried out on a wide scale owing to the abundant supply of raw materials available locally, such as sunflower seed, rapeseed and linseed.

Glass of all kinds is also produced locally. The productive capacity of the factories manufacturing plate glass under 4 millimetres in thickness exceeds the home demand. Natural gas is used as fuel in a number of plants, and about 80 per cent of the raw materials required for glass-making is available locally.

About one quarter of the area of the country is forest land, and timber is one of Roumania's chief natural resources, contributing largely to the country's exports.

The main source of wealth, however, is still agriculture, the prosperity of the country depending on the yield of the cereal crops and ruling prices for grain. Sugar beet is grown in large quantities, while the planting of tobacco has greatly increased since the Great War.

FOREIGN TRADE OF CUBA, JANUARY TO JUNE, 1935

S. G. MACDONALD, ACTING TRADE COMMISSIONER

Havana, December 31, 1935.—During the first half of 1935 there was an important increase in the foreign trade of Cuba in both imports and exports. Resultant from the United States—Cuba Trade Treaty of August, 1934, the sugar industry showed great improvement in both volume of exports and market prices. The consequent increased flow of capital into the country was reflected in advances in many lines of activity. These were indicated in a report on economic conditions in Cuba published in *Commercial Intelligence Journal* No. 1654 (October 12, 1935). The following review, based on preliminary figures recently issued by the Cuban Bureau of Statistics, covers the general trade of Cuba during the first six months of 1935.

CUBAN IMPORTS AND EXPORTS

(All statistics in parentheses are for the first half of 1934.)

The foreign trade of Cuba increased materially during the first half of 1935 as compared with the corresponding period in 1934. Imports advanced from \$34,047,186 to \$48,413,950 or about 45 per cent, and exports from \$43,394,021 to \$66,114,793 or by over 50 per cent.

IMPORTS BY COUNTRIES

While the United States-Cuban Treaty of 1934 naturally was of greatest benefit to its signatories, in so far as increased trade between the two countries is concerned, the resulting increased buying power of Cuba was in turn of assistance to other nations exporting to Cuba. According to Cuban statistics, Canada, with an increased export to Cuba of about 10 per cent during the first six months of 1935 over the corresponding period in 1934, was among the countries benefited. The increases in the imports from twenty-five leading countries were as follows:—

United States, \$27,289,350 (\$19,303,527); British India, \$3,096,971 (\$2,416,359); Spain, \$2,418,451 (\$1,967,715); Germany, \$2,185,268 (\$1,159,342); United Kingdom, \$2,043,654 (\$1,764,792); Japan, \$2,001,418 (\$1,266,528); Siam, \$1,477,560 (\$814,367); France, \$1,139,416 (\$698,163); Dutch Antilles, \$950,167 (\$856,271); Irish Free State, \$634,686 (\$353,337); Mexico, \$607,179 (\$547,256); Canada, \$596,648 (\$540,480); Netherlands, \$473,275 (\$264,129); Belgium, \$450,516 (\$349,489); Chile, \$413,254 (\$236,259); Norway, \$398,953 (\$195,509); Italy, \$321,434 (\$233,435); Argentina, \$235,585 (\$87,389); Venezuela, \$230,140 (\$219,170); Czechoslovakia, \$208,213 (\$55,737); British Africa, \$190,192 (\$2,076); Switzerland, \$133,970 (\$134,903); Sweden, \$120,929 (\$225,525); Denmark, \$116,780 (\$20,293); Egypt, \$78,274 (\$101,012).

EXPORTS BY COUNTRIES

With the exception of the United States, which greatly increased its purchases from Cuba, there was a general slight recession in exports to other countries, while in the case of Great Britain, Belgium and Canada the reductions were important. Exports to the fifteen leading markets for the comparative periods January to June, 1935 and 1934, were as follows:—

United States, \$55,758,213 (\$30,406,762); United Kingdom, \$5,498,108 (\$7,246,254); France, \$1,099,836 (\$1,169,967); Netherlands, \$645,044 (\$537,296); Argentina, \$498,179 (\$405,693); Germany, \$465,490 (\$499,711); Spain, \$443,648 (\$576,429); Sweden, \$317,227 (\$291,937); New Zealand, \$200,101 (\$1,146); Canary Islands, \$199,250 (\$323,449); Canada, \$163,889 (\$473,626); Jamaica, \$127,436 (not shown); Puerto Rico, \$77,185 (\$69,003); Belgium, \$74,226 (\$430,285); Uruguay, \$66,985 (\$57,000).

EXPORTS TO THE UNITED STATES

The important advance in exports to the United States is primarily due to the greatly increased volume of sugar sold to that country and the much improved prices following quota arrangements put into effect under the United States Agricultural Adjustment Act. Sugar markets elsewhere during the first half of the year were weak, and with world prices considerably under those ruling in the United States, other sugar-producing countries have obtained the bulk of the business. The importance to Cuba of sugar exports is indicated by the fact that almost 80 per cent of the total export trade is done in this commodity.

TRADE WITH CANADA

IMPORTS

Cuban statistics show an increased import from Canada of slightly over 10 per cent in the comparative periods under review—from \$540,480 to \$596,648. Imports are divided into thirteen main classifications, of which food products and beverages, wood and other vegetable materials, paper and products, metals and manufactures, and miscellaneous are of the greatest interest to Canadian exporters. Details of the more important products purchased by Cuba from Canada during the first six months of 1935 with comparative figures for the same period in the previous year are as follows:—

Stones, Earths, Ores, Glass and Clay Products.—\$750 (\$454). This small import during 1935 was mainly for certain ores, the balance being for glass products, as was the case in 1934.

Metals and their Manufactures.—\$21,875 (\$24,926). The most important items under this category were nickel, aluminium and alloys in bars and plates, \$11,904 (\$1,091); aluminium leaf, \$5,245 (\$2,104); wire, n.o.p., \$2,020 (\$1,162); copper in rolls, \$1,619 (\$1,420); other nickel and aluminium products, \$519 (\$9,542).

Chemicals and Pharmaceutical Products.—\$33,718 (\$9,814). Malt for brewing, \$32,623 (\$9,219), and a few small imports of patent medicines and of iron oxide comprise the total imports under this group.

Textiles and their Manufactures.—\$1,241 (\$838). The most important items are twilled or figured textile fabrics, \$354, and ready-made articles, \$202; hemp, flax, jute and other so-called "soft" raw fibres, \$548. The corresponding figures for 1934, in the order given, were \$339, nil, and \$485.

Paper and Paper Products.—\$135,919 (\$116,985). Newsprint with a total of \$132,584 (\$115,697) is the most important import from Canada under this category. Other leading paper products are mechanical pulp for uses other than newsprint, \$1,271 (nil); fine writing papers, \$574 (nil); book and lithographic paper, \$762 (\$3).

Wood and other Vegetable Materials.—\$5,329 (\$9,744). Cooperage, assembled, totalling \$3,261 (\$1,641), spruce logs, \$1,978 (nil in 1934 but \$7,621 worth of pine and Douglas fir was imported during the first six months of that year as against nil in 1935), comprise practically the entire purchases from Canada under this category.

Animal and Animal Products.—\$376 (\$2,557). Imports from the Dominion under this classification are at present unimportant, although several years ago those of patent and other upper leathers bulked fairly large. With Canadian prices competitive in view of the establishment of a shoe industry in Cuba, which has recently become important, a good market exists for patent hides.

Instruments, Machines and Apparatus.—\$17,981 (\$5,244). Electrical accessories, including batteries and parts totalling \$13,978 (\$555), were the most important items in this category. Other items included telephone apparatus, \$3,327 (nil); sewing-machine parts, \$478 (nil).

Food Products and Beverages.—\$303,423 (\$311,144). This classification includes the majority of the more important items imported from Canada. Under this category dried codfish and hake showed the greatest volume, namely: \$157,221 (\$77,426); other fish products included salted, dried or compressed skate, haddock and sardines, \$2,974 (\$325); stock and other similar dried fish, \$3,452 (\$11,401); herring, smoked, salted or pickled, \$1,199 (\$1,245). The items next in importance were: seed potatoes, \$96,601 (\$111,943); wheat, flour, \$39,036 (\$84,789); whisky, \$1,250 (\$926); table potatoes, \$223 (\$11,035). As a result of the United States—Cuba Treaty, the sale of Canadian table potatoes has practically ceased. Other products imported from Canada in small quantities include salted mackerel, peas, fine crackers, and cheese.

Miscellaneous.—\$75,420 (\$58,689). The largest single item under this category is calcium carbide, which was imported from Canada to the value of \$65,472 (\$48,112). Other main items include rubber and balata beltings, \$4,970 (\$7,219); crowns for hats, \$1,759 (nil); rubber hose, \$960 (\$1,440). A small business has begun in cartridges and bullets, rubber tubing and packing, and oil-cloth.

EXPORTS

The exports of Cuban products show a considerable reduction during the first six months of 1935 as compared with the corresponding period in 1934. Cuban statistics show as a purchaser the country to which the goods are consigned, and as a very considerable proportion of Cuban exports to Canada are handled through brokers in New York, their real destination is lost. Accordingly, in the following comparison of exports to Canada from Cuba some available figures issued by the Dominion Bureau of Statistics will also be shown to clarify somewhat the trade position between the two countries.

Agricultural Products.—Raw sugar, \$31,681 (\$363,897); refined sugar, \$1,203 (nil); liquid sugar, \$7,540 (nil); rum, \$2,147 (\$56,945); raw tobacco, \$43,090 (\$4,370); stemmed tobacco, \$23,284 (\$11,659); manufactured tobacco, \$9,780 (\$11,238); mahogany, \$916 (nil).

Miscellaneous Products.—Salted hides, \$16,240 (nil); cord, \$24,862 (nil); chemical products, \$252 (nil); sponges, \$2,098 (\$1,202); lithographs, \$98 (nil); other articles, \$700 (\$1,100).

DISCREPANCY BETWEEN CUBAN AND CANADIAN FIGURES

Although the Cuban statistics for the first half of 1935 show no export to Canada of fresh tomatoes, pineapples and other fresh vegetables (pimentos and egg-plant) as compared with \$9,351, \$11,365 and \$275 respectively for the comparative period during 1934, the figures released by the Dominion Bureau of Statistics show respective imports of those commodities from Cuba of \$104,215, \$54,617 and \$3,673 for the period under review. A further illustration of the discrepancy between the statistics of the two countries is shown by the general figures of trade between them during the first half of 1935. The Dominion Bureau shows exports to Cuba of \$489,077 and imports from Cuba of \$295,301, while the Cuban figures for exports to Canada are \$169,889 and for imports from Canada \$596,648. As has already been indicated, these differences are largely the result of shipments being routed through New York or other United States ports.

Despite the differences in the statistics of the two bureaux, it is evident that if the Canadian exports to Cuba increased during the first half of 1935 as compared with the similar period in 1934 (as the Cuban statistics appear to indicate), both sets of statistics show that a reduction has taken place in the 1935 period in the exports to Canada. However, while the trade with Canada in sugar, tobacco, rum and other commodities has fallen materially in recent years, a fillip appears to have been given to the export of fruits and vegetables during the first half of 1935, which augurs well for the development of an important future trade in these classes of agricultural products.

TRADE OF CHILE IN 1934

R. W. MCBURNEY, ASSISTANT TRADE COMMISSIONER

Lima, December 1, 1935.—According to official statistics, the total foreign trade of Chile during 1934 was valued at 711·5 million pesos as compared with the 1933 figure of 525·6 million pesos. Imports, valued at 241·7 million pesos in 1934, showed an increase of 59·9 million pesos as compared with 1933. Exports valued at 469·8 million pesos increased by 126 million pesos over 1933.

Total Canadian exports to Chile in 1934 amounted to a value of 1,590,873 pesos as against Chilean exports to Canada valued at 136,575 pesos. In 1933 exports from Canada to Chile were valued at 502,693 pesos, while imports from that country totalled 11,413 pesos.

PRINCIPAL IMPORT COMMODITIES

The following table shows some of the principal articles of import into Chile in 1934 with comparative figures for 1933 (values of 500,000 pesos or over):—

	1934 Pesos	1933 Pesos
Cereal flours	672,617	4,801,248
Fresh and dried fruits	1,517,268	1,636,898
Tea	3,625,009	2,334,269
Sugar, raw and refined	13,554,815	17,109,600
Vegetable oils, edible and non-edible, excepting essences	2,195,475	1,657,677
Hops	1,057,188	435,230
Resins, gums and vegetable wax	1,095,547	906,971
Wood-pulp for the manufacture of paper	1,860,467	2,701,748
Iron and steel	2,664,519	1,179,525
Mineral oils and their derivatives	25,943,677	26,254,985
Colours, paints and varnishes	3,057,666	2,583,297
Chemical products	9,700,969	9,257,208
Medicinal compounds	2,200,160	2,251,463
Natural and artificial silk threads and yarns	4,315,437	3,006,183
Cotton yarn and thread	11,925,601	10,396,086
Wool textiles	4,047,845	1,463,660
Natural and artificial silk textiles	936,157	352,795
Cotton textiles	24,251,541	13,851,729
Hemp and jute	1,860,630	5,428,281
Haberdashery	544,946	149,433
Rubber manufactures	3,694,199	2,918,214
Wood and cork manufactures	869,656	745,779
Paper and cardboard	4,278,396	4,550,445
Brick and tile	770,179	309,898
Pottery manufactures, n.o.p.	693,996	253,405
Glassware	1,229,821	630,840
Iron and steel, rolled, wrought, laminated	11,197,560	5,706,162
Iron and steel manufactures, n.o.p.	10,842,844	9,324,300
Copper and bronze manufactures	939,014	500,637
Machines and machinery	8,817,364	4,856,996
Steam engines, boilers, pumps, etc., and their parts	1,561,240	1,054,329
Textile machinery	3,183,769	172,414
Agricultural machinery	529,403	271,593
Hardware	4,599,142	2,626,567
Railway and tramway cars, coaches and their parts	815,886	508,315
Carts, automobiles and parts	2,975,286	833,303
Vehicles, n.o.p.	534,764	352,884
Scientific instruments and parts	872,668	949,352
Manufactured goods, n.o.p.	4,433,884	2,384,203

EXPORTS TO CANADA

Exports from Chile to Canada during the year 1934 totalled 4,625 gross quintals for a value of 136,575 pesos, and consisted entirely of malt, according to the official Chilean statistics.

PRINCIPAL SOURCES OF SUPPLY

Canada occupied twentieth place in the list of sources of supply for imports into Chile during 1934 as against nineteenth place in 1933. Principal sources are listed in the following table, together with comparative figures for 1933-34, values being given in millions of pesos of 6d. gold:—

Country	1934 In Millions of Pesos (6d. Gold)	1933
United States	69.5	40.8
Great Britain	56.0	22.1
Germany	24.6	20.7
Peru	21.2	25.8
France	9.1	11.3
Japan	8.5	2.0
Argentina	6.0	19.1
Belgium	5.3	4.8
Italy	4.8	4.3
Spain	3.8	2.4
Brazil	3.4	3.9
Holland	3.1	1.7
Venezuela	2.8	1.0
Sweden	2.7	0.9
India	2.5	5.2
Ecuador	2.4	2.3
Mexico	2.1	1.4
Java	2.0	1.3
Norway	1.9	1.8
Canada	1.6	0.5

PRINCIPAL IMPORTS

The following paragraphs show those commodities mainly imported into Chile, as well as those of possible interest to Canadian exporters. In each case the three leading sources of supply are given, with quantity and value figures for 1934:—

Lubricating Oils.—Imports, 7,257,409 gross kilos (2,956,587 pesos): United States, 5,286,887 gross kilos (2,307,124 pesos); Mexico, 982,891 gross kilos (284,181 pesos); Peru, 833,701 gross kilos (273,273 pesos). Canada is credited with 1,236 gross kilos valued at 698 pesos.

Pine Lumber.—The United States supplied the total imports of pine lumber in 1934, amounting to 1,327 cubic metres for a value of 135,032 pesos.

Wood-pulp, Chemical and Mechanical, for the Manufacture of Paper and Explosives.—Imports, 81,660 gross quintals (1,860,467 pesos): Sweden, 74,471 gross quintals (1,705,631 pesos); Norway, 3,853 gross quintals (82,855 pesos); Great Britain, 2,532 gross quintals (55,245 pesos).

Newsprint.—Imports, 10,596,767 gross kilos (2,070,084 pesos): Canada, 8,180,222 gross kilos (1,424,024 pesos); Norway, 1,049,310 gross kilos (243,572 pesos); Sweden, 811,965 gross kilos (178,862 pesos).

Wheat.—Imports, 1,543,277 gross quintals (200,790 pesos): Argentina, 1,536,380 gross quintals (195,548 pesos); Italy, 5,699 gross quintals (3,922 pesos); France, 656 gross quintals (796 pesos).

Wheat Flour.—Total, 3,539,905 gross kilos (660,462 pesos), supplied entirely by Argentina.

Fish and Shellfish, Dried and Smoked.—Imports, 47,632 gross kilos (59,846 pesos): Norway, 26,288 gross kilos (26,013 pesos); Great Britain, 15,128 gross kilos (25,934 pesos); Germany, 3,278 gross kilos (2,563 pesos).

Canned Salmon.—Imports, 8,060 gross kilos (7,541 pesos): United States, 7,150 gross kilos (6,287 pesos); Great Britain, 859 gross kilos (1,227 pesos).

Canned Sardines.—Imports, 72,626 gross kilos (74,261 pesos): Spain, 54,886 gross kilos (62,739 pesos); United States, 15,469 gross kilos (9,725 pesos); Great Britain, 1,499 gross kilos (1,085 pesos).

Wrought Iron Tubes.—Imports, 3,696,476 gross kilos (1,863,781 pesos): United States, 1,968,887 gross kilos (929,819 pesos); Germany, 848,920 gross kilos (508,683 pesos); Great Britain, 458,676 gross kilos (229,350 pesos). Canada was credited with 61,794 gross kilos valued at 21,515 pesos.

Soya Oil.—Imports, 1,808,380 gross kilos (922,937 pesos): Denmark, 756,246 gross kilos (375,520 pesos); Holland, 533,080 gross kilos (260,577 pesos); Great Britain, 441,071 gross kilos (245,898 pesos).

Automobiles.—Imports, 701 cars (2,552,069 pesos): United States, 664 cars (2,377,182 pesos); Great Britain, 11 cars (54,919 pesos); Italy, 11 cars (34,301 pesos).

Tires and Tubes.—Imports, 953,960 gross kilos (2,642,300 pesos): United States, 718,513 gross kilos (1,967,772 pesos); Great Britain, 157,046 gross kilos (397,908 pesos); Canada, 27,972 gross kilos (77,718 pesos).

Agricultural Machinery n.o.p.—Imports, 231,887 gross kilos (264,195 pesos): United States, 125,122 gross kilos (101,642 pesos); Germany, 66,263 gross kilos (99,205 pesos); Canada, 16,666 gross kilos (13,271 pesos).

Parts for Agricultural Machinery.—Imports, 64,783 gross kilos (139,029 pesos): United States, 46,571 gross kilos (85,551 pesos); Germany, 9,562 gross kilos (22,961 pesos); Great Britain, 5,156 gross kilos (21,050 pesos). Canada was credited with 1,097 gross kilos valued at 1,677 pesos.

Electric Batteries and Parts.—Imports, 438,080 gross kilos (825,711 pesos): United States, 389,803 gross kilos (665,096 pesos); Great Britain, 16,026 gross kilos (77,677 pesos); Sweden, 12,418 gross kilos (36,900 pesos). Canadian shipments as recorded in the Chilean statistics were 7,988 gross kilos valued at 8,357 pesos.

Raw Mica.—Sole shipments recorded in 1934 were from Canada—3,322 gross kilos valued at 941 pesos.

Zinc in Ingots.—Imports, 208,477 gross kilos (89,208 pesos): Great Britain, 119,811 gross kilos (51,876 pesos); United States, 58,960 gross kilos (22,955 pesos); Poland, 15,500 gross kilos (7,088 pesos). Canada is listed as having shipped 9,990 gross kilos to a value of 4,809 pesos.

Razor Blades.—Imports, 94,178 dozens (86,108 pesos): United States, 62,365 dozens (57,892 pesos); Germany, 22,668 dozens (21,515 pesos); Canada, 4,892 dozens (1,749 pesos).

In addition to the items in which Canadian shipments figure in the foregoing paragraphs, small quantities of the following commodities were credited to Canada during the year 1934: ferro-nickel, ferro-manganese, seeds, clays, cereal flours other than wheat, metal replacement parts, tools, boiler and turbine parts, radio receivers, railroad spikes, asbestos, rubber tubing and sheeting, rubber soles, advertising matter and catalogues, writing paper, photographic films (undeveloped), women's clothing (wool), lubricating oils, calcium carbonate, solder, aluminium in sheets, enamelware, and copper manufactures.

CHILEAN EXPORTS

Arranged according to the Brussels system of classification, exports from Chile in 1934, as listed in the official statistics, were as follows compared with 1933:—

	1934 Pesos	1933 Pesos
Live animals	431,945	526,378
Foodstuffs and drinks	53,912,255	37,849,731
Raw and semi-manufactured goods	397,796,304	282,048,296
Manufactured goods	7,655,140	10,489,882
Gold, silver, gold and silver coinage	10,036,311	12,856,482
	<hr/> 469,831,955	<hr/> 343,770,769

The following table lists major markets for exports from Chile in 1934, figures being given in millions of pesos of 6d. gold. Comparative figures for 1933 are also given:—

Country	1934 Pesos of 6d. Gold	1933 Pesos of 6d. Gold	Country	1934 Pesos of 6d. Gold	1933 Pesos of 6d. Gold
Great Britain	103.9	83.5	Peru	7.7	5.1
United States	89.4	68.6	France	7.6	6.9
Germany	20.0	22.3	Holland	2.8	6.4
Italy	16.6	24.7	Cuba	2.7	2.1
Belgium	13.0	11.7	Brazil	2.6	1.4
Sweden	9.7	11.0	Bolivia	2.4	1.7
Argentina	8.4	10.6	Switzerland	1.6	9.0

LUMBER SITUATION IN JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(The average value of the yen in 1934 was 30 cents Canadian and for the first six months of 1935 it was 29 cents)

Tokyo, December 10, 1935.—The lumber market for the first six months of 1935 shows considerable improvement when compared with the same period of 1934. According to an investigation conducted by the Bank of Japan, the index number of the average monthly wholesale price for timber in Tokyo was 227 in June, 1935, as against 223 for the same month of the previous year. It has declined somewhat, however, since the beginning of the year.

Index Number for Timber

		Saghalien Lumber			
	1934	1935		1934	1935
January.	200	234	January	510	630
February.	205	226	February.	510	620
March.	215	228	March	570	615
April	217	225	April	570	600
May	217	220	May	570	585
June	223	227	June	570	540

NOTE.—Base October, 1900=100.

The price increase in 1934 was chiefly due to a restriction of sales of timber by the Government of Saghalien. This year's reduction is said to be due to a reactionary fall, and this fall in prices has in turn contributed to an increase in consumption, showing a considerable improvement in supply-and-demand conditions. The stocks of American and Canadian lumber on the Tokyo-Yokohama, Osaka, and Nagoya markets on June 20 of this year as compared with last year showed an increase of 5.3 per cent.

Stocks on June 20

	1935 1,000 Ft. B.M.	1934 1,000 Ft. B.M.	Per Cent Increase
Osaka	61,676	58,199	6.0
Tokyo-Yokohama	44,206	43,527	1.6
Nagoya	12,803	10,977	16.6
Total	118,675	112,703	5.3

Production, imports, and exports of timber during the period under review all showed an increase.

PRODUCTION

According to the latest statistics available from the Ministry of Agriculture and Forestry, the area covered with conifers, broad-leaf trees, and bamboo groves extended over 50,000,000 acres during 1933 as against 49,000,000 acres in 1930, showing a slight increase. Six per cent of the total acreage is Crown property, 32 per cent public property, 0.6 per cent property of the temples and shrines, and the remainder, over 40 per cent, is private property.

With the encouragement of the Government afforestation is steadily progressing. The area and number of trees newly planted in 1933 as compared with 1932 increased by nearly 3 per cent. Damages to forest tracts, which vary year by year, are due principally to climatic conditions, such as wind and snow. Although the value of damages to forest tracts in 1933 as compared with that of 1932 has been reduced to one-third, it is believed that the last two years show an increase in damages due to a heavy typhoon in 1934 and flood conditions in 1935.

The total production of wood and bamboo for 1933 as compared with 1932 increased by 22.1 per cent, and if compared with 1931, by 26.2 per cent. In quantity the total production of wood for 1933 as against 1932 increased by nearly 10 per cent, of which coniferous woods increased by 11.6 per cent and broad-leaf trees by about 3 per cent. Production of fuel wood and bamboo declined slightly.

An increase in value amounting to 22.1 per cent against 1932 was credited to coniferous wood, which showed an advance of 29.8 per cent, broad-leaf trees 46.2 per cent. The total increase in production of both kinds of wood for 1933 as against 1932 was 31.6 per cent, and fuel wood 9 per cent. The value of bamboo produced was reduced by about 4 per cent.

The value of total forest products and manufactures in 1933 was 138,677,128 yen compared with 113,558,616 yen in 1932, an increase of 19.1 per cent, and of 22.6 per cent as compared with 1931. The percentage increase in value was greater than that in quantity owing to an advance in the prices for these commodities in 1933, and it is expected that production of these for 1934 and 1935 will show a further improvement on account of a gradual recovery in financial and economic conditions.

DECLINING SHIPMENTS FROM SAGHALIEN

On account of the protective policy of the Saghalien Government, shipments of Saghalien lumber have declined year by year, and it is expected these will be further reduced in the future. According to an investigation conducted by the *Diamond* (an economic magazine), shipments of Saghalien lumber are estimated as follows (in 1,000 feet board measure): 1931, 912,000; 1932, 888,000; 1933, 894,000; 1934, 327,600; 1935, 360,000; 1936, 240,000.

Thus the shipments for 1934 are estimated at one-third of those of 1931 and those for 1936 at one-quarter of those of 1931. The restrictions of the Saghalien Government on felling timber for shipment have, however, contributed to an advance in market prices, and if this policy is kept up a further rise is expected.

IMPORTS

Imports of lumber for the first six months of 1935 when compared with the similar period of 1934 were very active, especially imports from the Dominion. Total imports showed an increase of 37.5 per cent in quantity and 52.4 per cent in value.

Over half of the total imports of lumber into Japan are brought into the port of Osaka, one-quarter to one-third into the port of Yokohama, and the remainder into the ports of Nagoya and Kobe. The large distributing centre for American, Canadian, and other timber is therefore Osaka. Imports of lumber into this port as compared with the corresponding period of 1934 almost doubled. Imports into other ports have also shown a remarkable increase.

SOURCES OF SUPPLY

With regard to countries of origin, from 65 to 70 per cent of the total imports of lumber into Japan for the first six months of the year 1935 as well as of 1934 came from the United States, from 26 to 33 per cent from Canada, and the remainder from Asiatic Russia, Manchuria, or China.

Imports of Lumber by Countries of Origin

Quantity (cubic metres)—	Jan.-June, 1935	Jan.-June, 1934	Per Cent Inc. or Dec.
United States	489,662	386,134	+ 26.8
Canada	247,539	143,593	+ 72.4
Asiatic Russia	10,157	14,845	- 31.6
Other	1,398	8	+ 17 times
Total	748,756	544,580	+ 37.5
Value (yen)—			
United States	14,249,243	10,182,028	+ 39.9
Canada	6,762,647	3,456,768	+ 95.6
Asiatic Russia	184,278	294,103	- 37.3
Other	38,099	247	+ 15 times
Total	21,234,267	13,933,146	+ 52.4

The increase in imports of lumber from other countries is credited to Manchukuo.

PRINCIPAL WOODS IMPORTED

According to species of wood, Douglas fir comprises from 66 to 68 per cent of the total and hemlock 22 per cent. According to types of wood, 52 per cent is imported as logs and cants and 42 per cent is classified as big square and medium square. Imports of all species of wood for the period under review have increased considerably with the exception of boards, baby squares and flitches, which have decreased in quantity though showing an increase in value.

Imports of Lumber by Species

Quantity (cubic metres)—	Jan.-June, 1935	Jan.-June, 1934	Per Cent Inc. or Dec.
Douglas fir	497,383	368,077	+ 35.1
Hemlock, red cedar	164,540	123,699	+ 33.0
Spruce and Siberian timber	61,826	39,465	+ 56.7
White cedar and yellow cedar	23,917	12,372	+ 93.3
Cedar for pencil manufacture	1,090	967	+ 12.7
Total	748,756	544,580	+ 37.5
Value (yen)—			
Douglas fir	13,870,680	9,112,117	+ 52.2
Hemlock, red cedar	4,495,639	3,182,452	+ 41.3
Spruce, Siberian wood	1,675,209	990,382	+ 69.1
White and yellow cedar	1,011,096	498,834	+ 102.7
Cedar for pencil manufacture	181,643	149,361	+ 21.6
Total	21,234,267	13,933,146	+ 52.4

Imports of Lumber by Varieties

Quantity (cubic metres)—	Jan.-June, 1935	Jan.-June, 1934	Per Cent Inc. or Dec.
Pencil cedar	1,090	967	+ 12.7
Not exceeding 60 mm. in thickness (boards)	3,843	4,300	- 10.6
Not exceeding 200 mm. in thickness (baby square and flitches)	27,050	28,077	- 3.7
Exceeding 200 mm. in thickness (big square and medium square)	321,318	228,247	+ 40.8
Logs and cants	395,455	282,989	- 39.7
Total	748,756	544,580	- 39.7
Value (yen)—			
Pencil cedar	181,643	149,361	+ 21.6
Not exceeding 60 mm. in thickness (boards)	143,904	140,423	+ 2.5
Not exceeding 200 mm. in thickness (baby square and flitches)	1,013,146	958,467	+ 5.7
Exceeding 200 mm. in thickness (big square and medium square)	8,955,635	5,560,182	+ 61.2
Logs and cants	10,939,939	7,124,713	+ 53.5
Total	21,234,267	13,933,146	+ 52.4

Imports of tropical woods for the first six months of 1935 as compared with the corresponding period of 1934 have increased by 80 per cent—223,997 cubic metres as compared with 125,056 cubic metres. According to countries of origin, the Philippine Islands take 60 per cent of the total, British Borneo 20 per cent, and Dutch India 20 per cent. Shipments of tropical woods came almost entirely from the countries mentioned.

EXPORTS

Japan's exports of lumber and wood products for the first six months of 1935 as compared with the same period of 1934 showed an increase in value of 9.3 per cent—11,197,896 yen as compared with 10,246,031 yen. Railway sleepers go to Manchuria, veneer chiefly to Great Britain, wood shooks to British India and the Dutch East Indies, wood shavings for match box purposes principally to China and Hongkong, and sawn wood largely to Great Britain. According to countries of destination, Kwantung Province takes the lead, followed by Great Britain and China.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice that they have under review the rates of import duty on granite, dressed, polished, carved or otherwise worked, other than setts and curbs; and on marble, on which any process other than sawing has been carried out, except tiles no side of which exceeds 2 feet in length, mosaic cubes and chippings (both at present 20 per cent ad valorem).

They also give notice of applications for increases in the import duties on glazed wall and glazed hearth tiles (at present 30 per cent ad valorem), di-sodium phosphate (at present £1 15s. per ton), and on tri-sodium phosphate (at present £2 10s. per ton).

The committee further give notice that they have under consideration the question of a specific duty on dressed and dyed furskins, including pieces of such skins other than "plates," of a value not exceeding 1s. 8d. per skin or piece, exclusive of duty (at present 15 per cent ad valorem).

The committee announce that the application previously advertised for an increase in the import duty on ice cream freezer and carrying cans (see *Commercial Intelligence Journal* No. 1646, August 17, 1935, page 272) has now been withdrawn.

The foregoing goods, when Canadian products within the meaning of the Imperial preference regulations and consigned direct to the United Kingdom, are guaranteed duty-free entry by the Canada—United Kingdom Trade Agreement, 1932.

Irish Free State Levies and Bounties on Butter

With reference to the notice in *Commercial Intelligence Journal* No. 1659 (November 16), page 888, respecting levies and bounties on butter in the Irish Free State, Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Minister for Agriculture issued orders imposing levies, as from December 1, on butter sold in the Irish Free State, as follows: creamery butter put into cold storage before October 20, if manufactured before September 1, 26s. per cwt., and if manufactured later, 19s. per cwt.; creamery butter manufactured and put into cold storage during November, 23s. 6d. per cwt.; creamery

butter unstored, if manufactured before December 1, 28s. per cwt., and if manufactured later, 18s. 8d. per cwt.; non-creamery butter put into cold storage before November 2, 22s. per cwt.; other non-creamery butter sold by producers before November 30, 28s. per cwt.; non-creamery butter acquired after December 1, 18s. 8d. per cwt. The former rate of levy, as from September 1, for creamery butter put into cold storage was 19s. per cwt., and on all other butter, 28s. per cwt.

The orders also alter, as from December 1, the bounty on creamery butter, on sale in the Irish Free State, from 28s. per cwt., in force since October 1, to 18s. 8d. per cwt., and cancels, from September 30, the bounty on other creamery butter or on non-creamery butter exported from the Irish Free State. The former bounties on exported butter were 9s. per cwt. on creamery butter exported by the Butter Market Committee and on non-creamery butter, and 6s. per cwt. on other creamery butter.

The reasons for the reduction in the export bounty are stated to be a shortage of funds for the purpose, and also to ensure that adequate supplies of butter will be available for domestic requirements during the winter months.

Australian Deferred Duties

The deferred duties under the Australian customs tariff on hoop iron and steel, except galvanized, 12-gauge and thicker (Item 136F2), which were to have become effective on January 1, 1936, have been further postponed until April 1, 1936. Under present rates such goods are free of duty under the British preferential tariff and pay 15 per cent ad valorem under the general tariff. The deferred rates are 10 per cent ad valorem under the British preferential, and $22\frac{1}{2}$ per cent ad valorem plus 70s. per 2,240 pounds under the general tariff, with provision for increasing rates as Australian exchange improves. Deferment of increased duty on iron and steel plates and sheets, plain tinned (Item 147), has been continued until July 1, 1936. Present rates are: free under the British preferential and 10 per cent ad valorem under the general tariff; deferred rates are 76s. and 115s. per 2,240 pounds respectively. Deferment of increased rates on screw hooks, eyes, and rings (Item 186) has been continued until July 1, 1936. Present rates are: free under the British preferential and 15 per cent ad valorem under the general tariff; deferred rates are free and $26\frac{1}{4}$ per cent ad valorem respectively, with additional duties as Australian exchange improves. In the case of citric acid (Item 279A) deferred duties became effective on January 1, 1936, viz., $1\frac{1}{4}$ d. per pound under the British preferential and $3\frac{5}{8}$ d. per pound under the general tariff, with additional duties as Australian exchange improves. Former rates were: free under the British preferential tariff and 10 per cent ad valorem under the general tariff. (The foregoing announcements are based on information cabled to the High Commissioner of Australia in London, England.)

Licence Fees for Commercial Agents in Trinidad

Mr. W. F. Bull, Canadian Trade Commissioner at Port of Spain, writes that the colony of Trinidad and Tobago by an ordinance effective January 1, 1936, imposed an annual licence fee of \$50 for non-resident commercial or commission agents. Annual fees are also imposed for persons or companies engaged in insurance business as follows: \$100 for life or automobile insurance, \$50 for fire insurance, and \$15 for any other insurance. Licences expire on December 31 of the year in which they are issued, and may be issued at one-half the foregoing rates after July 1.

Tariff Revision in Grenada

The Grenada Customs Duties (Amendment) Ordinance, 1935, effective December 18, 1935, amends the customs tariff rates on the following commodities of interest to Canadian exporters:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Shirtsad val.	15%	22½%	12½%	25% or, if higher, 3s. per doz.
Men's underwearad val.	15%	22½%	12½%	25% or, if higher, 1s. per doz.
Neckties, cravats and similar articles.ad val.	15%	22½%	12½%	25% or, if higher, 7d. per doz.
Other kinds of apparel. .ad val.	15%	22½%	12½%	25%
Beer, ale, stout and porter per gal.	1s. 6d.	2s. 3d.	2s.	3s.
Rubber footwear with leather uppers.ad val.	15%	22½%	15%	22½%
Other rubber footwear: Value 3s. and under per pair.	Free	1s. per pair	15% ad val.	plus 1s. per pr. 22½% ad val. plus 1s. per pr. 22½% ad val. plus 1s. per pr.
Value over 3s. per pair. . . .	4d. per pair	1s. 4d. per pr.	15% ad val.	25% 7s. 6d.
Other kinds of footwear. ad val.	15%	22½%	15%	25%
Wheaten flour.per 196 lb.	6s.	9s.	5s.	7s. 6d.
Tires and inner tubes made wholly from British material by British labour . . ad val.	5%	....	15%	....
Onions.per 100 lbs.	4s. 2d.	6s. 3d.	2s. 1d.	4s. 2d.
Potatoesper 100 lbs.	Free	Free	1s.	2s.

Canadian, or Empire, goods are subject to the British preferential tariff rate in each case.

Southern Rhodesia Rebate of Duty on Wheat

A Southern Rhodesian Government notice which went into effect on October 23, 1935, provides for a rebate or refund of the customs duties on wheat imported by a bona fide miller or milling company when such wheat is used and blended with wheat grown and produced in the colony in the process of manufacture of flour or meal. Such rebate is to be on the basis of the duty on two and one-half bags of imported wheat to every bag of Southern Rhodesian wheat purchased and ground into flour or meal in the colony. The British preferential tariff on wheat, applicable to Canada, is 1s. per 100 pounds, and the general tariff, applicable to all non-British Empire countries, is 1s. 2d. per 100 pounds.

Food Standards Prescribed by Hongkong

Mr. V. E. Duclos, Canadian Trade Commissioner in Hongkong, writes under date December 12, 1935, that under Ordinance No. 8 of 1935, dated December 2, 1935, certain standards are prescribed by the Hongkong Government for certain products. Regulations pertaining to butter, cheese, milk, edible oils and fats, and lard are as follows:—

Butter is the clean, non-rancid fatty substance obtained by churning milk or cream. It shall not contain less than 80 per cent of milk fat, not more than 16 per cent of water, nor more than 4 per cent of salt. It shall not be mixed with any foreign fat or oil, and it shall not contain any foreign substance except salt (sodium chloride), and harmless colouring matter.

Cheese is the solid or semi-solid product obtained by coagulating milk with rennet or acid, with or without the addition of ripening ferments, seasonings, salt (sodium chloride), and harmless colouring matter. It shall not contain less than 30 per cent of milk fat in its water-free substance, and it shall not contain any foreign fat.

Cream cheese is cheese made from milk and cream. It shall contain not less than 60 per cent of milk fat in its water-free substance.

Whole-milk cheese is cheese made from milk. It shall contain not less than 50 per cent milk fat in its water-free substance.

Skim-milk cheese is cheese made from milk from which part of its fat has been removed. It shall contain not less than 10 per cent of milk fat in its water-free substance.

Milk.—The quantity of milk fat present in milk must be not less than 3.25 per cent of the total component parts thereof.

The quantity of milk solids, other than milk fat, present in milk must be not less than 8.5 per cent of the total component parts thereof.

Sweetened condensed or evaporated milk is milk which has been condensed by the evaporation of a portion of its water content, and to which cane sugar has been added. It shall contain not less than 28 per cent of total milk solids and not less than 8 per cent of milk fat. It shall not contain any foreign substance except cane sugar.

Sweetened condensed skim or separated milk is skimmed or separated milk which has been condensed by the evaporation of a portion of its water content and to which cane sugar has been added. It shall contain not less than 26 per cent of milk solids not fat. It shall contain no foreign substance other than cane sugar.

Unsweetened condensed or evaporated milk is milk which has been condensed by the evaporation of a portion of its water content, and sterilized by heat. It shall contain not less than 27.5 per cent of total milk solids and not less than 7.8 per cent of milk fat. It shall contain no foreign substance.

Unsweetened condensed or evaporated skim or separated milk is skimmed or separated milk which has been condensed by the evaporation of a portion of its water content and sterilized by heat. It shall contain not less than 26 per cent of milk solids not fat.

Edible oils and fats are the fats and oils commonly recognized as wholesome foodstuffs. They shall be free from rancidity and decomposition and from offensive odour and taste. They shall not contain any mineral oil.

Lard is the clean fat rendered from the meat of the hog. It shall contain not more than 1 per cent of substance other than hog fat unavoidably incorporated with it in the process of rendering, and not more than 1 per cent of water. It shall not contain any foreign substance.

Netherlands Import Restrictions on Salmon

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Rotterdam, reports that a Netherlands decree effective from January 2, 1936, to November 1, 1936, declares salmon, fresh, frozen, chilled, cured and smoked (but not canned salmon), to be a "crisis product" and therefore subject to import permit and a crisis or monopoly tax of 8 Netherlands cents per kilogram net (2½ cents per pound).

Netherlands Import Restrictions on Leather

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writes under date December 30, 1935, that the restrictions on all varieties of leather when imported into the Netherlands, to which reference was made in *Commercial Intelligence Journal* No. 1616 (January 19, 1935, page 89), have been extended to December 31, 1936, inclusive. During the year 1936, 40 per cent of the average gross weight of sole leather, leather belting, harness and saddlers' leather imported per twelve months during the years 1930 and 1931 from each exporting country will be allowed to enter the Netherlands. As regards upper and other non-specified leathers, the quantity which may be imported during the above-mentioned period is limited to 40 per cent of the average gross weight shipped by each exporting country per twelve months during the years 1931 and 1932. The previous quotas were the same.

Special quotas may in addition be granted to countries designated by the Minister of Commerce, Industry and Shipping.

Netherlands Import Restrictions on Paper and Paper Products

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Rotterdam, writes that a Netherlands royal decree of December 27, 1935, continues restrictions on importation of paper and paper products (see *Commercial Intelligence Journal* No. 1633: May 18, 1935, page 912). Imports from each exporting country during the year 1936 are fixed by the following percentages of the average gross weight imported during the years 1933 and 1934, the previous quota being the percentage shown in parentheses: printing and writing paper,

80 per cent (90 per cent); wrapping and felt paper, 80 per cent (90 per cent); coated paper and cardboard, 100 per cent (100 per cent); fancy paper, envelopes, and pasted paper bags, 80 per cent (90 per cent); office and writing books and unspecified printed matter, 80 per cent (90 per cent); unspecified paper products, 80 per cent (90 per cent); wallpaper, 90 per cent (100 per cent); asphalt roofing paper, 90 per cent (100 per cent); cellophane and similar transparent paper and products thereof, 100 per cent of 1933 imports (100 per cent).

The Minister of Commerce, Industry, and Shipping may grant special quotas to designated countries. Certain specified paper and paper products are exempt altogether from quota restrictions, of which a list is on file in the Department of Trade and Commerce.

Conversion of Foreign Currency in Belgium

A Belgian decree of December 20, 1935, effective December 23, cancels the decree of May 6, which fixed arbitrary rates for the conversion of foreign currency for duty purposes in Belgium, and provides that the conversion will now be made at current rates of exchange. The former fixed rates of exchange, as published in *Commercial Intelligence Journal* No. 1637 (June 15, 1935, page 1096), were: pound sterling, 20.65 belgas; United States dollar, 4.2975 belgas; Canadian dollar, 4.31 belgas.

United States Dutiable Value Includes Canadian Sales Tax

United States Treasury Decision 47980(6) issued by the Bureau of Customs on October 16, 1935, stated that the dutiable value of oxide of iron and other substances which are to be further manufactured into other articles is the price at which such or similar merchandise is freely offered to all purchasers and that this price in Canada includes the sales tax. The bureau added that sales to licensees under the Canadian law are sales to a special class and the price to such a class is not a freely offered one. Briefly stated, the value for duty of imported merchandise under section 402 of the United States Tariff Act of 1930 is the price at which such or similar goods are freely offered for sale to all purchasers in the principal markets of the country of exportation in usual wholesale quantities in the ordinary course of trade, either for home consumption or for export to the United States, whichever is the higher.

United States Regulations Respecting Import of Certified Seed Potatoes


Under the Canada—United States Trade Agreement, which went into force on January 1, 1936, the tariff on white or Irish certified seed potatoes entering the United States is reduced from 75 cents per 100 pounds to 60 cents, from December 1 to the last day of the following February inclusive, in any year, and to 45 cents per 100 pounds from March 1 to November 30, inclusive, in any year. These reduced rates will be accorded to imports up to 750,000 bushels in the twelve-month period beginning on December 1 in any year, and quantities in excess of this quota are to be subject to the full rate of 75 cents per 100 pounds. The United States Treasury Department on December 16, 1935, issued regulations respecting the entry of certified seed potatoes at the foregoing rates. These regulations are published as Treasury Decision 48057 and read:—

Claim for the reduced duty must be made at the time of entry. The potatoes shall be packed at the time of importation in containers and each container shall then have firmly attached to it an official tag supplied by the Government of the country in which the potatoes were produced, or an agency of such Government. The tag shall bear a certificate to the effect that the potatoes in the container have been grown and approved especially for use as seed. The tag shall also bear a number or other symbol identifying the potatoes in the

container with the inspection record of the foreign Government on the basis of which the tags were issued. A tag issued by the Department of Agriculture of the Dominion of Canada which conforms to the requirements of this paragraph accompanies this article.

Front

CERTIFIED SEED POTATOES



GRADE:

EXTRA No 1

VARIETY:

Certificate No.-----

Grower's No.-----

Back

"This tag has been issued to the grower on the date shown on the front of the tag for one container of potatoes, and is to certify that satisfactory evidence has been given that the contents have been grown by the person whose certificate number it bears, and that they have been inspected in the field and after harvest by an officer of the Dominion Department of Agriculture and have been found to be sufficiently vigorous and free from serious diseases, pests and foreign varieties to warrant them being classed as GRADE EXTRA No. 1 SEED POTATOES.

"This tag has been issued on the express condition that the person to whom it is issued and whose certificate number it bears, undertakes to grade the potatoes for which it is to be used so that they shall be practically free from rotted or seriously injured, foreign or off-type tubers, and that not more than five per cent by weight shall be below three ounces or above twelve ounces, and on the further condition that the said person assumes entire responsibility for the contents of any package to which this tag may be attached by him.

"The original purchasers of certified seed potatoes are requested to examine their potatoes at once and lodge any complaints forthwith. After being kept in unsuitable storage for any length of time, no guarantee can be given as to their quality."

There shall be filed in connection with the entry an affidavit of the ultimate consignee certifying that, to the best of his knowledge and belief, the potatoes were grown and approved especially for use as seed, in accordance with the official rules and regulations of the Government of the country in which the potatoes were produced, and that the tags on the containers were issued by the foreign Government or its agency to evidence these facts.

Collectors of customs shall report to the Commissioner of Customs, Washington, D.C. (Attention Division of Statistics and Research), on Monday of each week for the week ending the previous Saturday, the entry number, date and port of entry, and quantity in respect of each importation of certified seed potatoes which are the product of a country whose products are entitled to entry at the reduced duties. Whenever any tariff rate quota approaches fulfilment, special instructions will be issued by the Commissioner of Customs to require more frequent reports and, when appropriate, to require the deposit of estimated duties and import tax at the full rate pending the determination of the application of the reduced rate to particular importations.

Marking of Wood-pulp Board Imported into the United States

United States Treasury Decision 47946(7), published October 31, 1935, states that the Bureau of Customs have ruled that imported sheets of solid wood-pulp board entering the United States do not require to be individually marked with the country of origin, the marking of the containers and packages being sufficient. This ruling amends Treasury Decision 47639(4) issued February 28, 1935, which stated that "wood-pulp board in sheets should be required to be individually marked to indicate the country of origin." Sheets of laminated wood-pulp board still require to be individually marked in addition to the marking of the immediate container and packages in which imported.

Mexican Tariff Changes

Mr. M. B. Palmer, Canadian Trade Commissioner at Mexico City, writing under date January 3, 1936, advises that by recent decrees the Mexican tariff has been altered by the addition of several new items as well as by a revision in wording in the sections covering the import tariff rates for radio apparatus, cabinets and accessories; trailers and/or trucks (without motors); and machinery belting of all kinds. These changes are for classification purposes and the rates have not been altered except that in the case of belting the rates are now based on the gross weight throughout, whereas previously some rates were according to the legal weight. The rates on motorless trucks, etc., are affected in some instances if there are more than four wheels and if the tires weigh more than 100 kilos (220 pounds) each.

In addition to the above, the rate on wooden handles for all kinds of paint brushes has been increased as from December 31, 1935, from 1.50 pesos per legal kilo to 2.50 pesos per legal kilo, the new rate being the equivalent of approximately 31½ cents per pound.

Further details may be obtained on application to the Department of Trade and Commerce, Ottawa.

Brazilian Tariff Reductions Accorded to Canada

The Canadian Trade Commissioner in Rio de Janeiro, Brazil, cables that the reductions in the Brazilian tariff arising out of the commercial treaty between Brazil and the United States (see *Commercial Intelligence Journal* No. 1621, February 23, 1935, page 295), which went into force on January 1, 1936, have been extended to Canada as from January 14.

Rates of duty on rubber tires and tubes, which varied from 15 cents per pound to 50 cents per pound according to the weight, are reduced by 25 per cent of the duty. Other commodities on which duties are reduced include automobiles, 20 per cent; spark plugs, 33·3 per cent; rubber belting, 10 per cent; rubber hose, 25 per cent; patent leather, 25 per cent; cements, 66⅔ per cent; paints and varnishes, 16⅔ per cent to 53·8 per cent; radio and telegraph apparatus, 25 per cent; electric batteries, 5 per cent to 47 per cent; soaps, 20 per cent; preserved fruits, 20 per cent; oatmeal and rolled oats, 50 per cent; milk powder, 37½ per cent; canned salmon, 60 per cent. The rate of duty on sewing machines is bound by the agreement at a rate equivalent to about \$4 per 100 pounds.

By Exchange of Notes in 1931 between Canada and Brazil, covering no definite period, Canada concedes Brazil her intermediate tariff in return for most-favoured-nation treatment. The President of Brazil signed a decree on December 30, 1935, providing means for denunciation or revision of Brazilian commercial arrangements concluded prior to January 1, 1934. Notifications of denunciations are to be so made that the arrangements will terminate on or before July 30 next, but such notifications may be cancelled if prior to that date a new arrangement is negotiated.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JANUARY 13

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending January 13, 1936, with the official bank rate. Quotations for the week ending January 6, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 6	Nominal Quotations in Montreal Week ending Jan. 13	Official Bank Rate
Austria	Schilling	.1407	\$.1881	\$.1890	3½
Belgium	Belga	.1001	.1687	.1699	2
Bulgaria	Lev	.0072	.0135	.0135	6
Czechoslovakia	Krone	.0296	.0415	.0418	3½
Denmark	Krone	.2680	.2206	.2222	3½
Finland	Markka	.0252	.0219	.0220	4
France	Franc	.0392	.0661	.0663	4
Germany	Reichsmark	.2382	.4032	.4048	4
Great Britain	Pound	4.8666	4.9425	4.9737	2
Greece	Drachma	.0130	.0094	.0094	7
Holland	Guilder	.4020	.6799	.6836	3½
Hungary	Pengo	.1749	.2968	.2971	4
Italy	Lira	.0526	.0806 Nom.	.0805 Nom.	5
Jugo-Slavia	Dinar	.0176	.0230	.0230	5
Norway	Krone	.2680	.2483	.2500	3½
Poland	Zloty	.1122	.1889	.1899	5
Portugal	Escudo	.0442	.0449	.0454	5
Roumania	Leu	.0060	.0079	.0080	4½
Spain	Peseta	.1930	.1370	.1378	5
Sweden	Krona	.2680	.2547	.2565	2½
Switzerland	Franc	.1930	.3257	.3276	2½
United States	Dollar	1.0000	1.0025	1.0012	1½
Argentina	Peso (Paper)	.4245	.3294*	.3319*	—
			.2862†	.2713†	
Brazil	Milreis (Paper)	.1196	.0841*	.0843*	—
			.0551†	.0546†	
Chile	Peso	.1217	.0511*	.0511*	4½
			.0411†	.0411†	
Colombia	Peso	.9733	.5729	.5738	4
Mexico	Peso	.4985	.2784	.2780	5-6
Peru	Sol	.2800	.2494	.2490	6
Venezuela	Bolivar	.1930	.2566	.2563	—
Uruguay	Peso	1.0342	.7995	.8010	—
Cuba	Peso	1.0000	.2960	.2977	—
Hongkong	Dollar	.....	1.0017	1.0004	—
India	Rupee	.3650	.3171	.3238	—
Japan	Yen	.4985	.3731	.3752	3½
Java	Guilder	.4020	.2895	.2912	3.65
Shanghai	Dollar	.....	.6832	.6846	4
Siam	Baht (Tical)	.4424	.4530	.4562	—
Straits Settlements	Dollar	.5678	.5780	.5819	—
British Guiana	Dollar	1.0138	1.0300	1.0362	—
Jamaica	Pound	4.8666	4.9550	4.9850	—
Other British West Indies	Dollar	1.0138	1.0300	1.0362	—
Martinique	Franc	.0392	.0661	.0663	—
Guadeloupe	Franc	.0392	.0661	.0663	—
Australia	Pound	4.8666	3.9537	3.9800	—
Egypt	Pound (100 Piastres)	4.9431	5.0625	5.1062	—
New Zealand	Pound	4.8666	3.9850	4.0100	—
South Africa	Pound	4.8666	4.9362	4.9675	—

* Official. † Unofficial.

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Attention was diverted from the declining franc on January 10 by sudden weakness in the United States dollar. This followed the revival of support for further devaluation which attracted considerable attention in European countries. Pressure on the French franc diminished and other currencies also advanced against New York. The premium on New York funds at Montreal fell from 0.3 per cent to 0.03 per cent for the week ended January 11, while sterling quotations during this period advanced from \$4.9454 to \$4.9765.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Herring.....	38	Havana, Cuba.....	Agency.
Powdered Natural Whole Milk..	39	Singapore, Straits Settlements.....	Agency.
Unsweetened Condensed Milk...	40	Medan-Deli, Sumatra.....	Purchase and Agency.
Miscellaneous—			
Popular Drugs.....	41	Batavia, Java.....	Purchase and Agency.
Magazine Paper.....	42	Havana, Cuba.....	Agency.
Ladies' Hats.....	43	Batavia, Java.....	Purchase and Agency.
Elastic Webbing.....	44	Havana, Cuba.....	Agency.
Aluminum Powder (Dry).....	45	Bombay, India.....	Purchase.
Red Lead (Dry).....	46	Bombay, India.....	Purchase.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—Concluded			
White Lead (Dry).....	47	Bombay, India.....	Purchase.
Chemical Products.....	48	Havana, Cuba.....	Agency.
Brass Shoe Nails.....	49	Batavia, Java.....	Purchase and Agency.
Builders' Hardware.....	50	Valparaiso, Chile.....	Agency.
Showcase and Shop-window Fittings.....	51	Wellington, New Zealand..	Agency.
Track and Runners for Sliding Doors.....	52	Wellington, New Zealand..	Agency.
Electrical Fibre in Sheet, Rod and Tube Form.....	53	Melbourne, Australia.....	Agency.
Electric Light Bulbs for Motor Car Lamps, and Bulbs for Electric Torches.....	54	Sydney, Australia.....	Purchase or Agency.
Radio Valves.....	55	Sydney, Australia.....	Purchase or Agency.
Iron and Steel Piping.....	56	Tientsin, China.....	Purchase and Agency.
Automatic Bottle Washing Machinery (Small Type).....	57	Cape Town, South Africa..	Purchase.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To Liverpool.—Duchess of York, Jan. 25; Duchess of Bedford, Feb. 1; Montclare, Feb. 8; Duchess of Atholl, Feb. 15—all Canadian Pacific; Lancastria, Jan. 26; Andania, Feb. 9—both Cunard-White Star Line; Manchester Hero, Manchester Line, Jan. 22; Newfoundland, Furness Line, Jan. 28; Lehigh, Oriole Line, Jan. 30.

To London.—Beaverdale, Jan. 24; Beaverburn, Jan. 31; Beaverbrae, Feb. 7; Beaverford, Feb. 14—all Canadian Pacific; Alaunia, Feb. 1; Ascania, Feb. 15—both Cunard-White Star Line; Quaker City, Feb. 2; McKeesport, Feb. 17—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Commerce, Jan. 25; Manchester Port, Feb. 1; Manchester Citizen, Feb. 8; Manchester Brigade, Feb. 15—all Manchester Line; Lehigh, Oriole Line, Jan. 30.

To Aberdeen, Newcastle and Hull.—Kelso, Jan. 21; Gitano, Feb. 18—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Boston City, Jan. 29; New York City, Feb. 8—both Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnross (calls at Dundee), Jan. 27; Cairnesk, Feb. 10; Cairnglen, Feb. 24—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Jan. 20; Norwegian, Feb. 17—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Dakotian, Jan. 20; Sulairia, Feb. 3; Norwegian, Feb. 17—all Donaldson-Atlantic Line.

To Antwerp.—Beaverdale, Jan. 24; Beaverbrae, Feb. 7—both Canadian Pacific.

To Hamburg.—Beaverburn, Jan. 31; Beaverdale, Feb. 28—both Canadian Pacific; Quaker City, Feb. 2; McKeesport, Feb. 17—both American Hampton Roads (call at Hull and Leith).

To Copenhagen, Gothenburg and Baltic Ports.—Svaneholm, Jan. 31; Ragnhildsholm, Feb. 17—both Swedish-America-Mexico Line; Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, Feb. 16.

To St. John's, Nfld., and St. Pierre-Miquelon.—Rosalind, Jan. 20; Fort Amherst, Feb. 3—both Furness-Red Cross Line; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Jan. 22; Belle Isle, Newfoundland-Canada SS. Co., Jan. 27; Newfoundland (does not call at St. Pierre), Furness Line, Jan. 28.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Jan. 30; Lady Drake, Feb. 13; Lady Nelson, Feb. 27—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Jan. 27 and Feb. 17.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, Jan. 23; Lady Somers, Feb. 6—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Ba, Jan. 29; Lillgunvor, Feb. 12—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy (does not call at Hamilton), Jan. 25; Colborne, Feb. 22—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston (Jamaica) and Port au Prince (Haiti).—Cavalier (does not call at Port au Prince), Jan. 30; Cathcart, Feb. 12—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silverwalnut, Jan. 31; Siamese Prince, Feb. 14; Silverteak, Feb. 28—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Conqueror, Jan. 24; Canadian Challenger, Feb. 28—both Canadian National.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Scottish, Jan. 31; Canadian Victor, Feb. 28—both Canadian National.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Phrontis, Java-New York Line, Jan. 30.

From Saint John

To Liverpool.—Duchess of York, Jan. 24; Duchess of Bedford, Jan. 31; Montclare, Feb. 7; Duchess of Atholl, Feb. 14—all Canadian Pacific.

To London.—Beaverdale, Jan. 23; Beaverburn, Jan. 30; Beaverbrae, Feb. 6; Beaverford, Feb. 13—all Canadian Pacific.

To Manchester.—Manchester Commerce, Jan. 23; Manchester Port, Jan. 30; Manchester Citizen, Feb. 6; Manchester Brigade, Feb. 13—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Donaldson and Dominion Lines, Feb. 15.

To Glasgow.—Sulairia, Feb. 1; Norwegian, Feb. 15—both Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross (calls at Dundee), Jan. 25; Cairnesk, Feb. 8; Cairnglen (calls at Dundee), Feb. 22—all Cairn-Thomson Line.

To Dublin and Belfast.—Fanad Head, Jan. 22; Kenbane Head, Jan. 28; Melmore Head, Feb. 13—all Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Gunvor, Canada-Mediterraneo Line, Jan. 26.

To Antwerp and Havre.—Grey County (calls at Rotterdam but not at Antwerp), Jan. 29; Brant County (calls at Rotterdam), Feb. 12—both County Line; Beaverdale, Jan. 23; Beaverbrae, Feb. 6—both Canadian Pacific (do not call at Havre).

To Hamburg.—Beaverburn, Jan. 30; Beaverdale, Feb. 27—both Canadian Pacific.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Jan. 22; Lady Drake, Feb. 7; Lady Nelson, Feb. 19—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Jan. 22 and Feb. 12.

To Kingston and Jamaican Outports.—Darien, Jan. 22; San Benito, Jan. 29—both United Fruit Line.

To Manila, Hongkong, Shanghai and Dalny.—City of Singapore, Canada-Far East Line, Feb. 10.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Pyrrhus, Jan. 25; Grange Park (does not call at Sierra Leone, Lourenco Marques or Beira), Feb. 9—both Elder-Dempster Line.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—Clydebank, Jan. 27; City of Birmingham, Feb. 13—both Canada-India Service.

To Montevideo and Buenos Aires.—Dagrun (calls at Santos), Jan. 28; Nordkap, Feb. 28—both Canada-South America Line; Tureby (does not call at Montevideo), International Freighting Corporation, Feb. 1.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, Jan. 22; Heian Maru, Feb. 15; Hikawa Maru, Feb. 29—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), Feb. 8; Empress of Asia (calls Nagasaki), Feb. 22; Empress of Canada (calls Honolulu), March 7—all Canadian Pacific; Ixion (calls at Miike but not at Manila), Blue Funnel Line, Feb. 2.

To Manila, Iloilo, Cebu, Macassar, Sourabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Silveray, Jan. 29; a steamer, Feb. 29—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Jan. 29; Niagara, Feb. 26—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, Jan. 20; Golden Coast, Feb. 13—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, Jan. 30; Wairuna, Feb. 6—both Canadian-Australasian Line (call at Apia and New Plymouth).

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., January.

To London, Liverpool and Rotterdam.—Lochkatrine, Jan. 25; Delftdyk (calls at Glasgow), Feb. 8; Nebraska, Feb. 22—all Holland-America Line (call at Southampton if inducements offer).

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, East Asiatic Co., Feb. 17.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., February.

To Scandinavian Ports.—Margaret Johnson, Johnson Line, Jan. 21.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, Empire Shipping Co., Feb. 12.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Nordpol, Canadian Transport Co., Jan. 28.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverbelle, Feb. 5; Tabian, March 9—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hoyanger, Jan. 20; Leikanger, Feb. 17—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Lochkatrine, Jan. 25; Delftdyk, Feb. 7—both Royal Mail Lines Ltd. (call at Southampton and Rotterdam); Pacific Trader, Jan. 28; Pacific Ranger, Feb. 11; Pacific Shipper, Feb. 25—all Furness (Pacific) Line Ltd. (call at Glasgow and Manchester); Celtic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line Ltd., Feb. 2; Ensley City (calls at Avonmouth), B. W. Greer & Son Ltd., Feb. 14.

To Glasgow, Belfast and Manchester.—Nyhorn, Canada Shipping Co., Jan. 20.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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L. D. WILGRESS, *Director*

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COMMERCIAL INTELLIGENCE JOURNAL

JAN 1936

Vol. LIV

Ottawa, January 25, 1936

No. 1669



A Slingful of Package Freight from Canada being hoisted
from the Vessel to the Dock at Rotterdam

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, January 25, 1936

No. 1669

CENTRAL CHINA MARKET FOR FERTILIZERS

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

(The current value of the gold unit is U.S.\$0.67. Its average value in 1934 was U.S.\$0.66, and in 1933 U.S.\$0.52)

Shanghai, December 23, 1935.—China is probably the greatest *potential* market in the world for fertilizers. This is understandable when one considers the number of its people, generally placed at 400,000,000, of which about 80 per cent are directly dependent upon agriculture. The skill and laborious care with which the fertility of the soil has been husbanded under such population pressure has aroused, and continues to draw, the admiration of Western observers. This achievement is the more impressive in the light of the opinions expressed by some authorities that in parts of Canada and the United States, in comparison very new countries, the soil is already showing signs of deterioration.

Its explanation lies of course in the fact that in China there is practically no organic refuse of any kind. All plant, animal, and human waste finds its way back in some form to the fields, being carefully collected and applied directly, diluted, or in the form of composts. No figures are available to show the quantities of such manurial materials used, but they are known to be great. For example, one authority has estimated that of night soil alone 182,000,000 tons must be utilized annually, comprising 1,158,000 tons of nitrogen, 376,000 tons of potassium, and 150,000 tons of phosphorus. The sediment from the bottoms of ponds, canals, and small creeks, and from the banks of rivers, is also used in quantities which must total yearly many millions of tons. In addition, enormous quantities of native plant fertilizers, of which bean-cake is perhaps the most important, are used; large shipments of soya bean-cake are brought into China from Manchuria for this purpose.

FOREST DEPLETION

The depletion of forests centuries ago over most of China proper has had profoundly disastrous effects in a number of ways. It is largely responsible for the country's flood problem, and is regarded as a contributing cause of the desert encroachment in the Northwest. It has also affected to some extent at least soil fertility by removing the natural fuel supply: in most provinces after harvesting, every bit of organic matter, such as stalks, leaves, grass, straw, and even roots is gathered for fuel instead of remaining to enrich the soil.

This practice may not be as injurious as some authorities suggest, because the ashes are saved and later applied to the fields. But over a long period it may well have aggravated the drain on the productivity of the land imposed by intense and continuous cultivation: in many sections of the country land

has been cultivated continuously for two thousand years, and in some areas possibly for thirty or even forty centuries.

IMPORTS

It is not surprising therefore that in spite of the careful preservation of native organic manures a great demand exists for imported artificial fertilizers. This demand is severely limited by the pitiful smallness of the individual farmer's cash surplus. Nevertheless, it has resulted in fertilizers becoming during the past decade an item of considerable importance in China's import trade.

These imports are classified in the Chinese Customs returns under three headings: (1) "sulphate of ammonia," (2) "nitrate of soda (Chile saltpetre)," and (3) "chemical or artificial fertilizers, n.o.r." Their total value in 1934 amounted to 3,432,000 gold units (or nearly U.S.\$2,300,000), of which sulphate of ammonia accounted for 3,148,000 gold units, nitrate of soda for 98,000 gold units, and all other artificial fertilizers for 186,000 gold units. This indicates the predominating position of sulphate of ammonia. Imports from Canada were valued in 1934 at 96,000 gold units (U.S.\$63,000), of which sulphate of ammonia comprised nearly 90 per cent. Almost all of Canada's supplies come from one large concern who have their own well-established distributing connection in China. This review is intended therefore merely to describe briefly a trade which has an important bearing on China's economy, and to suggest that any plans for the development of Canada's fertilizer industry might take into consideration the possibilities of this market.

SULPHATE OF AMMONIA

Sulphate of ammonia, as stated already, is by far the most important fertilizer brought into China. Although it is said to have been introduced as early as 1906, the trade really began only about fifteen years ago. Prior to 1932 the Chinese Customs returns did not classify fertilizers in sufficient detail, so that it is impossible to trace exactly the development of the trade. However, purchases of sulphate of ammonia seem to have grown fairly steadily until 1930, when they amounted to nearly 210,000 tons valued in the neighbourhood of 17,000,000 Haikwan taels, or, at the exchange rate prevailing then, nearly U.S.\$8,000,000. Thereafter a decline set in which continued until the current year, which has seen an upward trend. The following table shows in round figures the imports into all China since 1933:—

	1933		1934		Jan.-Sept., 1935	
	Short Tons	Gold Units	Short Tons	Gold Units	Short Tons	Gold Units
Total.. . . .	112,500	6,922,000	55,500	3,148,000	69,100	3,774,000
Germany	42,500	2,666,000	19,200	1,076,000	30,000	1,584,000
Great Britain	58,100	3,527,000	18,500	1,029,000	23,400	1,427,000
Japan	30	1,500	3,600	233,000	*	*
Manchuria.. . . .	200	13,000	2,700	129,000	5,500	242,000
United States.. . . .	1,700	111,000	1,200	71,000	2,500	112,000
Netherlands	5,400	384,000	7,000	437,000	2,300	151,000
Canada	4,300	192,000	1,600	86,000	1,900	88,000

* Not available.

Of the total imports shown above, 37,000 tons were brought in at Shanghai in 1933 and 18,000 tons in 1934. Shanghai is by far the most important single port in the fertilizer trade as a whole.

It will be noted also from the above figures that Germany and Great Britain dominate the trade, and that a marked reduction has occurred since the peak year 1930. The principal causes of the decrease were probably the decline in

the value of silver which developed in 1931 and continued until 1934, and the effects of the world depression which began to be felt severely in China from 1932 onwards. The marked reduction in 1934 was undoubtedly largely the result of the severe drought which occurred in that year throughout Central China, and especially in Kiangse and Chekiang provinces, which are the principal consuming areas.

From time to time the use of sulphate of ammonia has been strongly criticized on the grounds that it makes the soil hard and unworkable. On several occasions opposition based on that criticism has interfered with distribution. The difficulty was submitted in 1933 to a Canadian Government expert, who explained that, while not injurious in itself, the prolonged and exclusive use of sulphate of ammonia might impair the productivity of certain types of soil, particularly those deficient in lime.

While agreeing with this opinion, experts of the large chemical firms in China maintain that they have never been able to find proof that sulphate of ammonia has damaged soil in this country, and that the organic manures mentioned earlier supply a sufficient amount of the soil's other requirements such as phosphoric acid and potash. Nevertheless the agitation resulted in the Chinese Government setting up inspection offices through which all fertilizers must pass for examination, and also in their ruling that sulphate of ammonia could be sold only if it was accompanied by a certain proportion of superphosphate and potash. Although they are complying with these regulations, importers state that frequently the Chinese farmers will not use the other materials but continue to employ the sulphate of ammonia alone.

As in other markets, all sulphates of ammonia are sold here with a guarantee as to nitrogen content. This is usually 20.6 per cent. The inspection tests of the Government Testing Bureau allow a maximum deficiency of 0.50 in nitrogen content. For example, if a shipment with a guarantee of 20.6 per cent proves upon analysis to have 20.1 per cent it is passed for sale but not if the content proves to be only 20 per cent or less.

NITRATE OF SODA (CHILE SALTPETRE)

Imports of this fertilizer are of minor importance compared with sulphate of ammonia. The following table shows recent imports:—

	1933		1934	
	Short Tons	Gold Units	Short Tons	Gold Units
Total	2,500	175,000	1,800	98,000
United States	960	57,000	760	35,000
Chile	300	23,000	420	25,000
Japan	650	46,000	200	9,400
Great Britain . . . . .	.....	.....	100	6,600
Germany	460	39,000	40	3,000

Imports in the first nine months of 1935 totalled 1,900 short tons valued at 90,000 gold units (details are not available).

The figures in the table refer to imports into the whole of China, but Central China takes the bulk of the material: of the 1933 total of 2,500 tons, 1,336 tons entered at Shanghai and 723 tons at Hankow; and of the total in 1934 of 1,800 tons, 977 tons entered at Shanghai and 664 tons at Hankow. In spite of their wide use in some countries, nitrate fertilizers are not popular in China. One authority suggests that they possess disadvantages which make them less satisfactory than sulphate of ammonia for use in this country, of which the most important is that they are not suitable for rice crops.

FERTILIZERS, CHEMICAL OR ARTIFICIAL, N.O.R.

The table below indicates recent imports under this customs classification, which, as explained earlier, includes all artificial and chemical fertilizers apart from sulphate of ammonia and nitrate of soda:—

	1933		1934	
	Short Tons	Gold Units	Short Tons	Gold Units
Total	5,400	241,000	4,300	187,000
Netherlands	550	27,000	2,300	100,000
Germany	1,600	109,000	1,100	48,000
Canada . . . . .	....	....	170	9,500
Japan	70	3,300	130	2,900
Palestine	110	7,800	110	6,900
South Africa . . . . .	....	....	110	3,400
Belgium . . . . .	....	....	110	6,100
Great Britain	910	37,400	100	2,300
United States	700	23,100	70	5,700

Imports for the first nine months of 1935 totalled 4,100 short tons valued at 178,000 gold units (detailed figures are not available).

Of the total imports shown above, imports through Shanghai were nearly 2,300 tons in 1933 and 2,800 tons in 1934.

The principal types of fertilizers included in this group are reported to be superphosphates, usually containing 20 per cent phosphoric acid, and potash, usually supplied in the form of muriate of potash (50 per cent potash) and sulphate of potash (48 per cent potash). So-called complete fertilizers are sold to a small extent and recently more concentrated forms are said to have been introduced under the names of "Nitrophoska II," "Ammophos," and "Nicifos II."

PRINCIPAL IMPORTERS

Germany and Great Britain dominate the trade, chiefly through their great chemical combines, Deutsche Stickstoff Handelsgesellschaft and the Imperial Chemical Industries, Ltd., respectively, both of which have elaborate organizations in China. Apart from these, one large British import firm represents an important Netherlands producer, and another old-established British house represents a large Canadian producer. Another Netherlands supplier has its own office in Shanghai, and one of the large oil companies handles the fertilizer by-products of its affiliated company in the United States.

The two large Japanese firms, the Mitsui Bussan Kaisha, Ltd., and the Mitsubishi Shoji Kaisha, Ltd., handle fertilizers brought in from Japan and from the Japanese-controlled production in South Manchuria. In addition, there are several smaller Japanese and Chinese firms engaged in the trade.

TERMS

All of the firms mentioned receive their supplies either on consignment or on long-credit terms, but in the case of the larger ones the financial arrangements may be more a question of book-keeping between producing plant at home and distributing organizations in China.

DISTRIBUTION

The consumption of artificial fertilizers is mainly in the East Central and Southeast areas of China—i.e., Kiangsu, Chekiang, Fukien, and Kwangtung provinces. Considerable sales are made in some other provinces, but on the whole the use of chemical fertilizers in the north and west of China seems to

be relatively small so far. This is probably due to several reasons, including differences of crop, less pressure on the soil, and greater availability of native manures, plus the greater cost of laying the imported product down at the more remote points.

The ultimate purchasers are, of course, the small farmers. Because their purchasing power is small the distribution of this product requires a complex network of interior agents. All of the larger firms mentioned above have their own branch offices in numerous cities in the interior of China, and from these points their agents operate, selling to Chinese dealers in each small town or village. The distribution of fertilizers is thus similar to that employed by the great oil and cigarette companies in this country. No supplier abroad could hope to compete to any extent in this market unless he obtained an agent or other connection here possessing the same facilities.

DUTIES

Fertilizers entering China are dutiable under the following five classifications:—

1. Ammonium sulphate	G.U. 1.20 per 100 kg.
2. Nitrate of soda (Chilean saltpetre)	G.U. 0.83 per 100 kg.
3. Fertilizers, chemical or artificial n.o.p. (This includes all other artificial fertilizers including ammonium phosphate, superphosphates and cyanamid.)	10 per cent ad val.
4. Animal manures	Free
5. Fertilizers, n.o.p. (This includes plant fertilizers such as powdered bean cake, etc.)	10 per cent ad val.

It is impossible to give an exact idea in Canadian dollars of the specific duties shown above because the value of the gold unit fluctuates. However, at the present time the latter is approximately equal to U.S.\$0.67. As 100 kilograms is about 220 pounds, the duties on ammonium sulphate and soda nitrate work out roughly, therefore, to U.S.\$0.80 and U.S.\$0.56 respectively per 220 pounds. In addition to the actual duty, there is a surtax of 10 per cent of the duty payable, plus a conservancy tax of 4 per cent of the duty payable. These latter charges apply to all products entering China.

GOVERNMENT RESTRICTIONS

All chemical fertilizers imported are subject to inspection by the Government Testing Bureau at Shanghai. The Chekiang Provincial Government also insists on a further examination of fertilizers intended for sale in that province, for which purpose it maintains an office in Hangchow, with a branch office attached to the Testing Bureau in Shanghai. For all nitrates and for muriate of potash a special permit must be obtained from the Government before importation is allowed. These regulations in fact apply to all chemicals which might be used in the manufacture of explosives.

DOMESTIC INDUSTRY

Although China has not yet any domestic production of chemical fertilizers, a modern factory for the production of ammonia and other heavy chemicals is at present under construction at Pukow (on the Yangtze river opposite Nanking) for a Chinese company known as the Yungli Chemical Industries, Ltd., which was formerly known as the Pacific Alkali Company. It is hoped that, when completed, this plant will be able to supply about one-quarter of China's present consumption of sulphate of ammonia.

MARKET FOR USED AUTOMOBILE TIRES IN SHANGHAI

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, December 23, 1935.—An inquiry has been received at this office from a Shanghai firm of importers seeking a Canadian source of supply for old automobile tires. The following brief notes in connection with this inquiry are submitted for the information of interested Canadian exporters:—

During the past few years a demand has developed in China for a very cheap type of shoe sole made from the walls of old automobile tires. These soles, by reason of their low cost, find a very considerable outlet among the farming classes in the interior of the country and they are also purchased by coolies in the cities. An additional outlet for used tires is found in the local manufacture of floor mats, etc.

The processing of used motor car tires into soles is done in Shanghai by cheap coolie labour, and as the domestic supply of used tires is inadequate to meet the demand, the bulk of the tires employed in this industry are imported from the United States, principally from Los Angeles and San Francisco. Used tires are not shown separately in the Chinese import statistics as they are included under waste rubber. One estimate (purely a rough one) places the average value of the annual imports in recent years at around U.S.\$50,000.

The used tires imported into Shanghai are put up in bundles of approximately 5 cwts. each, and these units are in turn secured by wire, no packing of any description being employed. All types of used automobile tires are apparently saleable, but light to medium weights are preferred. Heavy truck and bus tires are unsuitable for this trade.

It is understood that some United States exporters grade their tires into first, second, and third qualities according to condition, and charge prices accordingly. Better prices are obtainable if the beadings are cut out before shipment. Both the grading and the cutting out of the beads can be done in Shanghai, however, should the labour charges be prohibitive at the source of supply, and it is reported that some of the United States Pacific Coast exporters prefer this method.

The duty on old tires imported into China is 10 per cent ad valorem.

The firm desirous of being put in touch with Canadian exporters wish to handle a small initial shipment on a consignment basis, following which, provided a suitable article is shipped, they will be prepared to undertake outright purchases from responsible exporters.

Interested Canadian firms are invited to communicate with the Canadian Trade Commissioner, P.O. Box 264, Shanghai. Their attention is also drawn to Trade Inquiry No. 63 appearing in this issue (page 171).

AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Melbourne, December 17, 1935.—Wheat and flour shipments from Australia for the cereal year ending November 30 amounted to 104,243,243 bushels of wheat as against 95,598,318 bushels for the previous year. Shipments for the first week of December totalled 1,715,747 bushels as compared with 1,612,421 bushels for the corresponding week of last year. The wheat market had been very quiet for some weeks, but on December 13, when Argentina raised its minimum price to 10 pesos per 1,000 kilos, a rapid change took place in the general wheat position and Australian wheat rose immediately about 3d. per bushel. This raised the price to farmers to about 3s. per bushel at country sidings, equivalent

to 59 cents Canadian, which has brought sellers into the market very freely and the increased price will be of immense value to the growers. The price f.o.b. Melbourne is 3s. 7d. per bushel, equivalent to 72 cents Canadian.

Prior to the Argentine development, only a small quantity of the new crop had been sold, and some 40,000 tons has been taken by Japan. China has been a small buyer, but the difficulty in arranging exchange prevents China from figuring prominently in the market. The indications are that the new crop would move very rapidly if the present prices are sustained, and there is at the moment active inquiry for Australian wheat from Great Britain, and important sales have been booked.

The statistical year ended in the wheat trade on November 30 with exports of wheat and flour some 8,500,000 bushels larger in terms of wheat than last year's total. Comparative figures are shown below:—

Season	Estimated Australian Yield Bushels	Exports of Wheat and Flour Wheat Equivalent Bushels
1932-33	213,926,000	149,007,000
1933-34	177,338,000	95,598,000
1934-35	133,700,000	104,243,000

Exports for the past year included 72,748,000 bushels of wheat and 656,000 tons of flour.

NEW CROP PROSPECTS

The new crop is of excellent quality and shows a very marked improvement on the crop of the last two seasons, especially in Victoria, while the quality of the Western Australian and South Australian crop is fully equal to the previous year. Unfortunately, heavy rains were sustained in New South Wales at the end of November, which has bleached and deteriorated about 25 per cent of the crop. However, in spite of this misfortune, the New South Wales crop will be better than that of the preceding season. The old crop carryover is practically negligible, amounting to only some 30,000 tons, most of which has been sold for shipment, principally to Japan.

The latest official estimates for the new wheat crop indicate a total of 140,000,000 bushels as compared with 134,000,000 bushels last year, as follows: Western Australia, 20,000,000 bushels; South Australia, 31,500,000; Victoria, 39,000,000; New South Wales, 46,000,000; Queensland, 3,500,000 bushels. About 55,000,000 bushels are required for domestic consumption, leaving some 85,000,000 available for export. The area sown to wheat has been decreasing since 1930-31, when 18,164,000 acres were cropped. Last year's sowings were estimated at 12,500,000 acres, and for the current season 11,940,000 acres are stated to be under wheat.

FLOUR

The export flour market has been dull and featureless during the past month, but following the sharp rise in the price of wheat interest has returned and it is anticipated that January will see increased activity, the remainder of December usually being quiet. The mills have few important orders booked for January, but the trade is hopeful that inquiries will be forthcoming from Britain and the East. In sympathy with higher wheat prices, export flour quotations have firmed to £7 15s. per ton of 2,000 pounds in 49-pound sacks, equivalent to \$30.69 Canadian, and £7 10s. per ton in 150-pound bags, equivalent to \$29.70 Canadian at current rates. The current price of flour for local delivery is £9 7s. 6d. per ton of 2,000 pounds, taxes additional.

FREIGHTS

Chartering has been proceeding slowly at the minimum schedule rates fixed some time ago, but will probably show more activity early in the new year, as heavy wheat shipments are anticipated. The parcel rates for December have been fixed at 26s. 3d. per ton and for January and November at 27s. 6d. per ton. Freights are payable in English currency on the basis of 2,240 pounds per ton

GOVERNMENT ASSISTANCE

It was stated last month that the Commonwealth Government had proposed legislation providing for a home consumption price for wheat which, if made operative, would give the growers the necessary financial assistance and obviate the continuance of the burdensome and unpopular tax on flour. The scheme requires the co-operation of the four leading wheat-producing States, and as yet the necessary State legislation has not been passed. There has been definite opposition to the Federal proposal from Western Australia and South Australia, and it appears improbable that anything of importance will take place before the next State Parliament sessions, which will be held about March, 1936.

Meanwhile, the Commonwealth Government has reimposed the flour tax from January 6, 1936, for an indefinite period; the tax to lapse on a date to be proclaimed. A distribution of £1,880,000 derived from the flour tax returns will be made with respect to the 1935-36 crop. The distribution to be made by the States will include—

(1) The equivalent of one shilling per bushel which will be paid on the wheat used for human consumption, estimated at about 32,000,000 bushels, requiring approximately £1,600,000.

(2) One halfpenny per acre as a special grant on the wheat acreage sown in 1935, estimated at 11,939,000 acres, requiring about £24,873.

(3) A special grant of £268,803 (including the above £24,873) for the relief of distressed growers who have suffered unusual hardships through crop failures based on actual crop conditions in the States affected. Only three States participate in this special relief grant as follows: Western Australia, £161,600; South Australia, £69,896; New South Wales, £31,794—a total of £264,280.

(The difference in totals is accounted for by the fact that only the three States participate in the special relief grant.)

NEW ZEALAND WOOL SALES, 1935-36

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, December 23, 1935.—The prices obtained at the opening wool sales in New Zealand are regarded as a business barometer, which gives a fairly accurate forecast of conditions for the ensuing season. Sales commence each year in Auckland towards the end of November, and further sales then take place in rotation in Napier, Wellington, Christchurch, Dunedin, and Invercargill, and also in Timaru and Wanganui, until a complete round of the main centres is made. This is followed by a second round, commencing in January, and a final round ending in March or early April. The overseas buyers travel from one sale to another, examine the wools and estimate their values. On the sale date, the bales of wool are auctioned from a catalogue before representative buyers.

OPENING SALE

At the opening sale in Auckland in November, keen competition took place for the 20,707 bales catalogued. This was a relatively small offering, as

shearing was late due to inclement weather. Values ruled 20 to 40 per cent—and at times 50 per cent—above those at the commencement of the last season. Since the November sale an entire round of sales has been completed, and the six auctions so far have been marked by a healthy demand at prices substantially in advance of those ruling last season, and also by excellent clearances running as high as 95 per cent in cases. A total of about 143,000 bales has already been auctioned, which is well in excess of progress at the same time last year.

ADVANCED VALUES

The advanced values continue quite firm in spite of some reaction due to lesser prices at the final London sales. Activity on the part of Japan and the Continent has contributed largely to the bright tone existing. France has been notably a ready buyer. Bradford buyers appear to be operating within set limits and, though large buyers in total, have been relatively quiet to date. The United States has been interested in some descriptions, and Canada is reported to be buying to a larger degree than in preceding years, but Germany has only bought sparingly, in comparison with more normal years.

EFFECT ON BUSINESS ACTIVITY

The net result of this first round of sales has been to produce much greater activity in all lines of business, despite a slight hesitancy arising from uncertainty as to the course of exchange rates. In some quarters it is believed that exchange rates may be dependent on the policy of the new political administration elected in November. Nevertheless merchants and retailers report very busy holiday trade, and some have exceeded their highest previous records.

Agents advise that importers are buying freely in anticipation of active conditions. In consequence, the market possibilities for Canadian products are believed to be much more favourable than at any time since the depression commenced. It may be said that, judging from surface indications, and improved employment conditions, the slump in New Zealand is definitely over. This may be largely ascribed to the improvements noted in prices of such important commodities as wool. The outlook of individuals has taken on a brighter complexion than for some years, which is aiding the favourable price trends of the last few months in creating a firm tone to business and confidence in the future.

INDIAN MARKET FOR TOBACCO

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, December 12, 1935.—India is a large producer and exporter of tobacco of certain types, principally of the coarser kinds, but is tending towards the production of the finer tobaccos which will eventually be consumed by the industries within the country. At the present time she is also a large importer.

IMPORTS

The total imports of tobacco of all kinds during the fiscal year ended March 31, 1935, amounted to 3,700,000 pounds (Rs.6,200,000) as compared with 5,000,000 pounds (Rs.7,200,000) in the previous calendar year. Cigarette imports showed an increase of Rs.300,000 in value over the previous year and amounted to 600,000 pounds (Rs.2,200,000). Imports of raw tobacco, on the other hand, fell from Rs.4,700,000 to Rs.3,300,000 in value, and in quantity from 4,000,000 pounds to 3,000,000 pounds. Imports of raw tobacco were derived principally from the United States and the United Kingdom. Shipments from these sources

in 1934-35 were 1,800,000 and 1,100,000 pounds respectively as compared with 2,100,000 and 2,000,000 pounds in the previous fiscal year. The Netherlands contributed about 40,000 pounds, or 10,000 pounds less than in 1933-34; Canada, 27,000 pounds as against 6,000 pounds; and Belgium, 5,000 pounds compared with 9,000 pounds.

Imports of pipe and cigarette tobacco increased from 50,000 pounds in 1933-34 (Rs.300,000) to about 62,000 pounds (Rs.400,000) in the year ended March 31, 1935. Supplies were derived principally from the United Kingdom, which contributed 47,000 pounds as against 38,000 pounds in 1933-34. The United States sent 5,500 pounds and Australia 8,850 pounds as compared with 4,500 and 8,200 pounds respectively in the preceding year, while imports of cigars fell off from 1,200,000, or 17,000 pounds, to 726,000, or 11,000 pounds, with values respectively of Rs.74,000 and Rs.61,000.

EFFECT OF REVISED IMPORT DUTIES

Under the import duties in force at the end of March, 1934, cigarettes paid a proportionately higher duty than raw tobacco. As a consequence, the manufacture of many popular brands of cigarettes which were formerly imported was diverted to India. The Indian Finance Act, 1934, revised the rate of duty on cigarettes and increased the duty on raw tobacco, the effect of which was to prohibit to a large extent the importation of the cheaper varieties, thus giving an additional advantage to those produced from Indian-grown tobacco, while providing for cigarettes manufactured out of imported tobacco the protection of the ordinary revenue duty of 25 per cent ad valorem, plus Rs.8/2 per thousand or, if higher, 12 annas per pound.

Imports of cigarettes have shown a steady decrease from 5,300,000 pounds in 1929-30 to 593,000 pounds in 1933-34, and although in the last twelve-month period, while no very marked stimulation of imports has been in evidence, the revised tariff took away some of the advantages which manufacturers in India of cigarettes made of foreign tobacco were enjoying, and imports showed a slight increase amounting to 614,000 pounds or 21,400 pounds more than in 1933-34.

PRODUCTION OF CIGARETTE TOBACCO

The production of the Virginia type of cigarette tobacco in India is steadily increasing, and it is stated that the number of flue-curing barns now under operation exceeds 2,000, so that importations of this type of tobacco may be expected to show a decline as the local industry becomes better established. As usual, the United Kingdom supplied the bulk of cigarettes imported into India in 1934-35, her supplies totalling 556,600 pounds (Rs.2,100,000) as against 475,000 pounds (Rs.1,667,000) in the preceding year. Imports from China amounted to 26,000 pounds and from the United States 14,000 pounds as compared with 23,000 pounds and 13,000 pounds respectively in the preceding twelve-month period; from Egypt there was an increase from 3,000 pounds to 4,200 pounds, consignments from Japan dropped to 6,000 pounds from 74,000 pounds, and receipts from Aden and Dependencies increased from 2,000 pounds to nearly 5,000 pounds.

PROSPECTS FOR CANADIAN LEAF

It would appear that there are possibilities for Canadian tobacco producers to develop business among certain manufacturers of cigarettes in India with tobacco suitable for such purposes. Some time ago this office placed before a number of manufacturers in Calcutta samples of Canadian flue-cured Virginia tobacco suitable for the manufacture of cigarettes. The tobacco met with the

approval of the manufacturers, but at the time it was seemingly impossible to secure any direct business, as prices were not competitive with imports from Virginia.

On the other hand, it is doubtful if Canadian manufacturers of cigarettes are in a position to compete in the Indian market with the locally established plants, the two principal ones of which are subsidiaries of well-known organizations, as well as with some firmly established Indian factories manufacturing the cheaper grades of Virginia cigarettes, mostly from imported leaf. In addition, there are the brands of Virginia cigarettes imported from long-established British manufacturers whose brands are well known and highly advertised, and even though Canadian manufacturers of cigarettes were able to compete in price, unless they are willing to advertise on an extensive scale, it will be difficult for them to enter the market. Moreover, imported cigarettes must be put up in hermetically sealed tins not only to withstand the journey but also to meet the varying climatic conditions to which they are subjected in India.

PROBLEMS OF POPULATION IN INDIA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, December 19, 1935.—The subject of population in India is one of interest from both an economic and sociological point of view, and a report on its problems has recently been published by the Public Health Commissioner, Government of India. While the birth-rate in the majority of Western countries is steadily decreasing, that of India is increasing in more than proportionate ratio, and without going outside the country for possible repercussions of these conditions, the increase in the birth-rate is disturbing in its effect on food supplies, unemployment, and the standard of living of the ryots, or peasants.

VITAL STATISTICS

There have been no great changes in Indian vital statistics during the last few years. Although the birth-rate appears to have been somewhat higher in 1933 than in the two previous years, it had merely returned to the average level recorded during the period 1900-33. Reductions which appeared in 1931-32 are considered to have been merely fortuitous, and cannot be taken to indicate that there has been any tendency for the people of India to restrict families as has been the case in Western nations. In 1933 the death-rate was slightly higher than in 1932, but it does not show any appreciable departure from the downward trend which has characterized the general death-rate since the great influenza epidemic of 1918-19.

CHILD MORTALITY

On the other hand, the downward trend in the death-rate is not applicable where child mortality is concerned, although there was a decrease following the influenza epidemic, but the records of the past six years seem to indicate that this tendency has disappeared. The factors influencing infantile mortality are more or less stable, but new and more vigorous preventive measures seem necessary before a further saving of infant life can be expected. The existing campaigns in the fields of child welfare and maternity relief have had so far little or no widespread effect except within the restricted areas of their influence where undoubtedly considerable results have been obtained, but the small extent to which this form of social service has been developed shows that only the surface has been scratched. It has not yet produced effects sufficiently profound to have influenced the infantile death-rates common to the general population of rural India.

LOSS BY EPIDEMICS

Among the important factors bearing on the vital statistics of India is the loss of life caused by one of the three principal epidemics to which the country is subject—cholera, plague, and small-pox—which together in 1933 accounted for 214,590 deaths. There were 3,500,000 deaths registered as due to "fevers," of which undoubtedly a large proportion were actually caused by malaria, and it is fair to assume that numbers of malaria deaths were recorded under other causes.

MALARIA

When it is kept in mind that there were 12,500,000 diagnosed cases of malaria treated by hospitals and dispensaries, it would not be going too far to further assume that during 1933 malaria was responsible for at least 1,000,000 deaths, and year after year it is principally responsible for about 20 per cent of the total recorded deaths, while many millions of the population are subject to periods of sickness involving a great loss of earning power and much economic distress.

The Government has done much to alleviate the scourge of malaria by providing free supplies of quinine to stricken persons, but like many other Government undertakings their efforts are handicapped by lack of funds. Qualified opinion is that more benefit is to be conferred by the distribution of quinine than by any other anti-malarial measures, but it is unfortunate that India is not able to produce anything like the amount of quinine required, while present prices make it prohibitive to the mass of the people.

Measures to counteract and improve the infantile death-rate and the number of lives lost through epidemics are therefore of pressing urgency if the loss of potential or actual man-power is to be overcome; but while this improves matters in one direction, it aggravates them in another, and it is this aspect of the problem which confronts the country. Allowing for a gradual reduction in the loss of life due to the causes above mentioned, it must necessarily follow that the major problem of over-population will become more acute.

ESTIMATED POPULATION

During 1933 the population was estimated to have increased by over 3,500,000 in British India alone, so that by the end of June of that year the estimated population was nearly 273,000,000, which means that from the end of February, 1931, almost 18,000,000 had been added to the population of India as a whole, and on a conservative estimate would mean that the total approximate population now would be 370,000,000.

Authorities take this estimate to be most conservative, because for purposes of these calculations the rate of increase is based on that recorded during the decade 1921-31, which rate has been considerably exceeded each year since the census of 1931, so that it would not be far wrong to add another 2,000,000 to the grand total. Thus it would seem that by 1941, when the next census is taken, the population of India will considerably exceed the estimate of 400,000,000.

CULTURABLE LAND PER CAPITA

Another problem concerning the country is the amount of culturable land available in British India in relation to the present population. It is estimated that only 0.72 acre per capita is available, which is patently inadequate to provide sufficient food. Even were all available cultivable land given over to food production alone, the supply would still fall short of reasonable and adequate demand. This argument may be met by stating that the present shortage

could be relieved over a period by more intensive methods of cultivation, which implies the immediate adoption of such intensive methods all over India, but to those who know the Indian peasant it is very difficult to envisage a solution of the problem along these lines. But even granted that additional food supplies were made available in this way, the difficulties would only be postponed for a few years because the increasing population would rapidly absorb any surplus.

It would therefore appear that the problems of India along these lines are more acute than ever before, and they are of such importance to the welfare of the country that they must be always borne in mind.

FROZEN POULTRY IN BRITISH MALAYA

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values in Canadian currency. Straits currency converted at the rate S\$1 equals 58 cents Canadian)

Singapore, November 28, 1935.—Poultry, especially chicken, is one of the staple foodstuffs of this tropical country. Most of British Malaya's poultry requirements are satisfied by locally produced chickens, turkeys, and geese or by importations of live birds from Siam, Java, and Borneo. These importations amounted to 991,391 birds valued at \$246,462 in 1934 against 859,566 birds at \$299,895 in 1933 and 983,136 birds at \$356,088 in 1932.

The local and imported live birds are small and scrubby, but they satisfy the demands of the majority of the population. However, there is a certain restricted outlet among the European and better-class Eurasian and Chinese communities for imported frozen birds raised in temperate climates where poultry develops to good size and possesses a superior flavour to that of the tropical birds. This demand is, of course, greatest at times of national and international festivals such as Christmas, New Year (Western and Chinese), Easter, and Thanksgiving.

IMPORTS

Imports of frozen poultry in 1934 were 81 tons valued at \$43,412 against only 46 tons at \$26,962 in 1933 and 38 tons at \$25,000 in 1932. Under "game, dead," which to this tropical market means mainly frozen, imports in 1934 were 28 tons valued at \$16,808 against 16 tons at \$7,814 in 1933 and 30 tons at \$12,631 in 1932. The sources with quantities for the three years respectively under the heading "dead poultry" were: Australia, 40, 23, and 13 tons; the United Kingdom, 8, 7, and 6 tons; and Hungary, 7, 5, and 2 tons. There was an importation of 23 tons from China in 1934. This is believed to be partly preserved and partly frozen poultry. Under the heading "dead game," the sources were Australia (9, 10, and 22 tons), the United Kingdom (3, 3, and 2 tons), and China (16, 3, and 5 tons). The imports from China are difficult to trace, but they are again believed to include preserved and frozen supplies.

There is only one important buyer of frozen poultry in British Malaya—a large cold storage company with head office and warehouses in Singapore and branches and depots in all the important centres of the country. The present issue of the *Commercial Intelligence Journal* (page 171) contains a trade inquiry on behalf of this company, whose annual requirements are about 30 tons of turkeys and 5 tons each of broiling fowls, ducks, geese, capons, and chickens.

WEIGHTS

The various frozen dressed weights are as follow: turkey hens, 6-10 pounds, main sellers 8-10 pounds; turkey gobblers, 10-20 pounds, main sellers 10-16

pounds; broiling fowls, $3\frac{1}{2}$ -5 pounds; ducks, 4-6 pounds; geese, 5-8 pounds; capons, $3\frac{1}{2}$ -6 pounds; chickens, 2 and $2\frac{1}{2}$ pounds. These dressed frozen weights are exact and they must be carefully observed should any Canadian exporter make a shipment to this market.

It is impossible to indicate the competitive prices since they fluctuate widely. In quoting, Canadian suppliers should offer the lowest possible price c.i.f. Singapore.

SHIPPING SERVICES

Shipments by refrigerated space may be routed from the East Coast per steamers of the Java-New York Line or per the combined service offered by the Prince and Silver Lines. From the West Coast shipments may be routed per the C.P.R. steamers for transshipment at Hongkong to K.P.M. or at Manila to the K.P.M. or Dollar Line. Direct refrigerated service from Vancouver is offered by the Silver-Java Pacific Line. The several steamship agents will gladly furnish full particulars and rates.

Interested exporters are asked to send their quotations and full particulars with regard to packing and grading to the Acting Trade Commissioner at Singapore, who is in close touch with the one large buyer and can conduct negotiations by a personal call. In order to expedite matters exporters should correspond with the Acting Trade Commissioner by air-mail covers, and in addition to the usual air-mail markings and special franking, letters should be superscribed "via England/Imperial Airways to Singapore."

TRADE OF THE LEEWARD ISLANDS IN 1934

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Port of Spain, January 3, 1936.—The British colony of the Leeward Islands is the most northerly of the islands which make up the Eastern group of the British West Indies. The colony consists of the Presidencies of Antigua, St. Kitts-Nevis, Dominica, Montserrat, and the British Virgin Islands; the seat of government is located in Antigua. In addition to a governor appointed by the Crown, each presidency has an administrator and legislative assembly composed of official, nominated, and elected members. The total population of these islands, according to the most recent census—that of 1921—is 122,221 and the area 727 square miles.

PRODUCTION

The islands are largely dependent upon the growing of agricultural products, and practically all manufacturing is concerned with the processing of these products for export. The principal exports include a wide variety of tropical produce such as sugar and its by-products molasses and rum, raw cotton, oranges, grapefruit, bananas, and tomatoes.

Sugar is the chief commodity produced. In the calendar year 1934 exports of sugar crystals comprised 74 per cent of the total exports of the colony. St. Kitts-Nevis and Antigua, the presidencies which possess the greatest amount of flat, arable land, are the largest sugar producers. The mountainous contour of Montserrat and Dominica is not suited to the economical production of sugar, exports from these presidencies being made up primarily of raw cotton, citrus fruits, bananas, and vegetables. Dominica is steadily increasing its exports of bananas and oranges to Canada. The fruit is excellent both in appearance and taste. The export trade of the Virgin Islands, which reaches only small proportions, is carried on almost exclusively with the neighbouring American Virgin Islands.

The presidencies of the colony are on the regular itinerary of several steamship lines from Canadian and United States eastern ports, and one steamship line from the United Kingdom visits most of the islands on a regular schedule.

The climate varies from tropical to sub-tropical, and as there are many attractions of interest to visitors, the tourist industry is increasing steadily.

TOTAL TRADE

The total trade of the colony in 1934 showed a decrease as compared with the previous year. There was an increase recorded, however, over the trade of 1932. The following table shows exports, including re-exports, imports, and total trade in the calendar years 1934, 1933, and 1932:—

	1934	1933	1932
Exports	£ 587,371	£ 583,834	£ 515,325
Imports	578,067	611,973	551,488
Total	£1,165,438	£1,195,807	£1,066,813

The trade with the individual presidencies during the three years noted above was divided as hereunder:—

St. Kitts-Nevis—	1934	1933	1932
Exports	£286,352	£267,012	£232,027
Imports	236,861	240,119	241,487
Total	£523,213	£507,131	£473,514
Antigua—			
Exports	£189,663	£227,442	£197,729
Imports	163,598	187,537	146,679
Total	£353,261	£414,979	£344,408
Dominica—			
Exports	£ 54,499	£ 45,043	£ 50,641
Imports	133,207	133,537	119,700
Total	£187,706	£178,580	£170,341
Montserrat—			
Exports	£ 46,738	£ 36,283	£ 27,287
Imports	36,217	42,848	34,220
Total	£ 82,955	£ 79,131	£ 61,507
Virgin Islands—			
Exports	£ 10,119	£ 8,054	£ 7,641
Imports	8,184	7,932	9,402
Total	£ 18,303	£ 15,986	£ 17,043

IMPORTS

Imports into the Leeward Islands are made up mainly of provisions, cheap apparel, machinery for use in the agricultural industry, and lumber. The largest single item recorded in the year under review was flour, imports of which amounted to 56,241 bags of 196 pounds valued at £57,140. This is a slight decrease in both quantity and value compared with 1933, when 59,341 bags valued at £57,474 were imported. Canada was credited with 50,733 bags (£52,315) in 1934 and 56,280 bags (£54,648) in 1933. The United Kingdom's share of the flour trade increased from 2,678 bags (£2,544) in 1933 to 4,479 bags (£3,839) in 1934.

In addition to flour, the principal items imported were:—

Cotton piece-goods, imports of which were valued at £37,450 in 1934 and £40,294 in 1933; machinery of all kinds and accessories, £36,920 (£28,960); other cotton manufactures, £20,543 (£28,338); fish of all kinds, including codfish, £19,769 (£19,282); hardware, £17,107 (£18,153);

rice, £16,443 (£14,562); boots, shoes, and slippers, £16,080 (£11,915); cornmeal, £14,898 (£12,264); cigarettes, £13,978 (£12,311); butter and butter substitutes, £13,656 (£15,188); manures, £12,720 (£12,822); pitch pine lumber, £12,223 (£15,571); meats, all kinds, £9,155 (£12,056); gasoline, £8,715 (£8,678); bags and sacks, £8,715 (£15,332); white pine lumber, £8,046 (£9,769); kerosene, £7,437 (£8,210); motor cars, £7,169 (£7,529); apparel, £6,950 (£3,721); cement, £6,267 (£6,283); lard and lard substitutes, £5,553 (£6,170); whisky, £5,541 (£11,065); motor car parts, including tires, £5,126 (£6,206); and hats, caps, and bonnets, £5,028 (£3,512).

CHIEF SOURCES OF SUPPLY

The United Kingdom was the chief supplier, being credited with imports valued at £245,654 or 42·4 per cent of total imports in 1934. Imports from this source in 1933 were valued at £269,129 or 43·9 per cent. The chief items were: machinery and accessories, which amounted to £30,953 in 1934 and £26,405 in 1933; cotton piece-goods, £25,190 (£25,418); cigarettes, £13,967 (£12,304); other cotton manufactures, £13,911 (£15,712); hardware, £13,829 (£15,831); boots, shoes, and slippers, £8,859 (£7,038); and manures, £8,007 (£10,378).

Canada was next in order of importance—£112,635 or 19·4 per cent of the total in 1934 compared with £109,089 (17·8 per cent) in 1933. Flour accounted for 44·6 per cent of total imports from the Dominion in 1934. Other products included codfish, valued at £14,464 in 1934 and £14,032 in 1933; lumber, white pine, £7,972 (£9,754); motor cars and trucks, £5,118 (£1,900); refined sugar, £3,618 (£863); wood and timber, other kinds, including shooks, £2,266 (£3,177); potatoes, £1,778 (£921); meats, £1,773 (£1,781); butter, £1,754 (£1,708); cheese, £1,507 (£783); motor car parts, including tires, £1,423 (£1,183); manures, £1,369 (£903); hardware, £1,287 (£614); and boots, shoes, and slippers, £1,009 (£278).

The United States was the principal foreign shipper. Imports were valued at £79,973 (13·8 per cent) compared with £75,022 (10·6 per cent) in 1933. The chief items were: cornmeal, £14,544 (£12,050); pitch pine lumber, £11,771 (£14,962); meats, £5,025 (£6,510); and cotton piece-goods, £4,733 (£6,084).

Imports from the British Empire were valued at £425,667 (73·6 per cent) in 1934 compared with £471,691 (77 per cent) in 1933, while those from foreign countries amounted to £133,575 (23·1 per cent) and £140,282 (22·9 per cent) respectively in these years.

EXPORTS

The colony's main exports included sugar crystals valued at £428,946 in 1934 and £457,669 in 1933; raw cotton, £42,232 (£29,716); distilled lime oil, £8,555 (£13,762); green limes, £7,278 (£6,245); molasses, £6,982 (£4,362); raw lime juice, £5,184 (£3,788); oranges, £3,787 (£3,268); bananas, £2,769 (£1,063); raw cocoa, £2,400 (£2,550); and tomatoes, £1,462 (£1,666).

CHIEF COUNTRIES OF CONSIGNMENT

Domestic exports to the United Kingdom, the colony's best customer, were valued at £373,444 (66·4 per cent) in 1934 and £386,645 (69·2 per cent) in the previous year. Exports to the United Kingdom consisted mainly of sugar crystals valued at £323,722 (£354,954); raw cotton, £37,061 (£16,206); distilled lime oil, £3,963 (£4,755); molasses, £2,235 (£1,084); and copra, £1,059 (£980).

Exports to Canada amounted to £119,152 (21·2 per cent) in 1934 compared with £108,993 (19·5 per cent) in 1933. The chief products were: sugar crystals, £105,162 (£96,242); molasses, £3,233 (£3,275); bananas, £2,400 (£241);

oranges, £2,001 (£1,739); raw cocoa, £1,681 (£1,791); tomatoes, £1,388 (£1,323); grapefruit, £1,227 (£1,540); raw lime juice, £941 (£392); and green limes, £449 (£1,402).

The United States received exports valued at £16,787 (2 per cent) in 1934 compared with £25,119 (4 per cent) in 1933. The principal items exported to the United States were: green limes, £6,562 (£4,359); distilled lime oil, £3,944 (£8,929); raw lime juice, £1,638 (nil); and fancy molasses, £1,500 (nil).

BRAZILIAN MARKET FOR ELECTRICAL HOUSEHOLD APPLIANCES

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, December 23, 1935.—Brazil presents a fair market for certain types of electrical household appliances. There are, however, important factors which limit it as to class of appliance and volume of sale. The purchasing power of a large proportion of the people is so low that they can afford neither the original purchase price nor the cost of electric current for operation.

Few Brazilian housewives who could afford electrical equipment ever enter their kitchens or, beyond giving orders, take an active part in the work of the household, and there is little tendency to relieve, by the installation of labour-saving machinery, the burden of the household work which falls on the servants. Hence the principal demand is for those appliances of the luxury type, or those from which the family will derive direct benefits such as radios, refrigerators, and polishing machines.

LOCAL INDUSTRY

Figures showing the extent of national production are not available for the whole of Brazil. Statistics for the State of São Paulo, however, show that in 1933 there were nine firms, employing 324 hands, producing household electrical equipment. The capital invested amounted to 2,340 contos or approximately \$184,860, with a horse-power rating of over 300. The production of these factories has been reported as 411 refrigerators valued at 1,500 contos (\$118,500), 2,600 radios valued at 1,300 contos (\$102,700), 5,000 electric irons valued at 122 contos (\$9,638), 2,133 hot-plates valued at 33 contos (\$2,607), and 1,264 heaters valued at 31 contos (\$2,449).

In Rio de Janeiro one of the most important American manufacturers of electric equipment of all kinds has a large factory, which caters extensively for the local market. One firm makes general heating and cooking devices, one refrigerators and one radios.

COMPETITION

In addition to competition offered by the local manufacturing houses, there is keen competition from foreign firms who have opened branch distributing offices in Brazil. These branch offices, besides taking care of distribution and general sales, operate assembling plants and repair shops.

The American firm previously mentioned have entered the retail field and sell direct to the consumer through their own shops and a controlled chain. The same procedure is followed by other firms.

IMPORT MARKET AND DUTIES

Prior to 1933 no attempt was made in Brazilian statistics to separately classify any of these appliances but since 1933 refrigerators, flat irons, and radio apparatus have been of sufficient importance to be so classified. All other imports come under the classification of "electrical machinery and apparatus, n.o.p.," which covers such a wide field as to make it valueless for a

report of this nature. C.i.f. prices and wholesale prices are difficult to procure, but wherever possible general price indications will be given, more as a guide for comparison than as a definite statement of ruling prices.

ELECTRIC IRONS

In 1933, a total of 33,824 kilos of electric irons valued at 188,777 milreis (\$14,913) were imported; for 1934 the figures were 27,377 kilos valued at 184,286 milreis (\$13,084).

Germany supplied the greater part of these imports, having shipped in 1934, 16,257 kilos valued at 109,852 milreis (\$7,799), followed by the United States with 61,877 kilos valued at 43,233 milreis (\$3,069). Great Britain, Italy, Japan, Norway and Sweden are credited with the remainder.

Locally made electric irons of 2.7 kilos, 200-watt element, complete with cord, are sold retail for from 34 milreis (\$1.87) to 55 milreis (\$3.02), while imported irons range from 90 milreis (\$4.95) for the ordinary type to as high as 160 milreis (\$8.80) for the automatic types.

The duty on electric irons, chromed or nickelled, is 4.576 milreis (\$0.25) per kilo, while those made of other common metals are assessed at 8.580 milreis (\$0.47) per kilo.

ELECTRIC FANS

Electric fans are used extensively in restaurants, shops, offices, and theatres, but the cost of electricity limits their use in private houses. American, German, British, and Italian companies maintain stocks of all types and sizes of fans. The following are the average prices for 10-inch oscillating fans: American, 200 milreis (\$11); Italian, 190 milreis (\$10.45); German, 170 milreis (\$9.35).

Electric fans are dutiable at the rate of 6.270 milreis (\$0.34) per kilo.

HOT-PLATES AND TOASTERS

Small single-element hot-plates are fairly popular in Brazil, and perhaps, next to electric irons, enjoy the greatest sale. The production of hot-plates in São Paulo in 1933 amounted to 2,132 units valued at 33 contos (\$3,607). There are no other Brazilian statistics available, but the United States returns indicate that in the same year, under the heading of "other heating and cooking devices, electrical" 907 units valued at \$2,759 were exported to Brazil. A locally made hot-plate with a diameter of 120 mm., 450-watt element, retails complete for 18 milreis (\$1), and a second with three heats, 400, 600 and 1,000 watts, retails for 68 milreis (\$3.77). A two-burner hot-plate retails for 110 milreis (\$6.11).

The duty on hot-plates is 8.580 milreis (\$0.47) per kilo.

The European-type breakfast is customary in Brazil, hence there is, comparatively speaking, little general demand for toasters. The greatest sale is among British and American residents. One local firm manufactures toasters with 500-watt heating element, which retail for 65 milreis (\$3.61). Imported toasters are listed at from 80 milreis (\$4.44) to 100 milreis (\$5.55), and automatic toasters retail at around 170 milreis (\$9.44).

The duty on toasters is 5.148 milreis (\$0.28) per kilo.

PERCOLATORS

The method of preparing coffee in Brazil is to use a drip bag suspended in an upright frame into which the coffee is placed and water slowly poured over it, which is considered more satisfactory than a percolator. There have been one or two local attempts to produce electric coffee machines. One of these,

holding 1½ litres, retails at 50 milreis (\$2.77), and another sells at 90 milreis (\$4.99).

There are a few imported percolators, of the four-cup size, to be seen in the shops; these retail at 220 milreis (\$12.22).

The duty on percolators works out at 2.460 milreis (\$0.13).

ELECTRIC STOVES

There is practically no use of electric stoves. In the larger cities gas is available, and for cooking purposes it is much cheaper than electricity. American and German organizations have, on more than one occasion, embarked on extensive advertising programs but with very little success. Such demand as exists is confined almost entirely to small one- or two-burner stoves with an oven, and made to stand on a table. A locally manufactured stove of this type sells at 350 milreis (\$19.44), and imported stoves of the same description retail at from 700 milreis (\$38.88) to 1,200 milreis (\$66.66).

REFRIGERATORS

The use of electric refrigerators is probably showing a greater tendency to increase than that of any other single type of electrical household equipment, with the exception of radios. In 1933 the total imports were 185,211 kilos valued at 1,927 contos (\$152,233). In 1934, however, the total reached 719,000 kilos valued at 8,022 contos (\$569,562), or an increase of over 400 per cent. The United States enjoys practically the whole trade. The value of the imports from that country, according to Brazilian statistics, were 1,781 contos (\$140,699) in 1933 and 7,512 contos (\$533,352) in 1934. Germany and Argentina shipped respectively to the value of 225 contos (\$15,975) and 180 contos (\$12,780) in 1934.

In the State of São Paulo there are three firms manufacturing refrigerators; their total production in 1933 was 411 units valued at 1,573 contos (\$114,267). There are two manufacturers in Rio de Janeiro whose products are steadily gaining in favour.

There would seem to be great opportunity for expansion in Brazil, most of the present demand being confined to commercial use.

Prices of refrigerators vary according to type; the most popular run from 2 contos (\$111.10) to 3 contos (\$444.40), with a very limited demand for the extra-large or de luxe types at from 9 contos (\$499.95) to 10 contos (\$555.55).

Rates of duty vary according to weight classification. Units weighing from 50 to 100 kilos are dutiable at 1.364 milreis (\$0.075) per kilo; on those of from 100 to 250 kilos the duty is 1.132 milreis (\$0.06) per kilo.

VACUUM CLEANERS AND FLOOR POLISHERS

As was indicated earlier in this report, the demand for labour-saving machinery, under which heading these items come, is relatively small; floor polishers undoubtedly enjoy the greatest demand. Probably the largest share of the demand is met by a Swedish firm who sell direct to consumers on a liberal time-payment basis. Their polisher retails at approximately 970 milreis (\$53.88). Following the lead of this company, an American and a German house, selling at prices of approximately 1,200 milreis (\$66.66) and 750 milreis (\$41.66) respectively, are now offering long-term payments.

The same sales methods are adopted for vacuum cleaners, but the demand is small. Primarily, because of insects and heat, waxed floors are almost universal.

The duty on vacuum cleaners and polishers is 3.4 milreis (\$0.18) per kilo.

WASHING MACHINES

For a period of three years imports of washing machines into Brazil from the United States totalled 382 units valued at \$28,000. This would probably represent at least 90 per cent of the total imports. Washing in Brazil is generally done by hand, and few are interested in spending money on some electrical equipment for this purpose. There are comparatively few large laundries; but there is a multitude of washwomen calling for and delivering clothes, who will do all washing and ironing for a family of four for approximately \$5 a month.

A large American firm, with their own sales organization and a repair shop with expert mechanics, offer liberal terms of payment and have with considerable advertising been able to sell a number, and these are, to a great extent, included in the import figures quoted above.

RADIOS

No statistics are available which indicate the number of radio sets in operation in Brazil, but it is in radio that the best opportunities for sales exist. The local industry is as yet very small. In São Paulo there are two firms manufacturing radios, and one in Rio de Janeiro. In 1933 the total output of the São Paulo firms was 2,600 units valued at 1,316 contos (\$103,964).

Imports of radios in 1933 amounted to 431,000 kilos in weight, and were valued at 9,680 contos (\$764,720). In 1934 this increased to 677,000 kilos valued at 17,152 contos (\$1,217,792). The United States obtains about 75 per cent of the market, the value of the imports from that source in 1933 being 7,924 contos (\$625,996), and in 1934, 13,923 contos (\$988,533). United States statistics indicate that in 1933 there were shipped to Brazil 38,274 receiving sets valued at \$693,000. In value Great Britain and Holland share the major part of the remaining imports. In 1933 the value of the imports from Great Britain was 886 contos (\$70,294), and from the Netherlands 1,786 contos (\$141,094). In 1934, although both showed an increase, those from the Netherlands attained a value of 1,878 contos (\$133,338) against 921 contos (\$65,391) from the United Kingdom. Germany was credited with 51 contos (\$4,029) in 1933 and 347 contos (\$24,637) in 1934.

Owing to high duties on furniture, radios are imported without cabinets, which are made in Brazil. The values above represent chassis and parts only.

Most of the better-known American manufacturers are represented in this market, and several of the Continental ones as well. Prices are comparatively even as between the different selling companies. One Netherlands firm retail a six-tube broadcast and long-wave machine for 1,250 milreis (\$69.43). A five-tube machine from the United Kingdom retails for 1,200 milreis (\$66.66) for a table model, while an eight-tube table model, long- and short-wave, retails for 2,500 milreis (\$138.87). American firms retail table models of six tubes, long- and short-wave, for 1,600 milreis (\$88.88), and a console model of the same type for 4,500 milreis (\$249.97). The average price for a machine of the class of the eight-tube console would be about 3,600 milreis (\$199.98).

In the same category falls the import of repair parts for radios, and as there has been very little development in the local industry, most of these parts are imported from abroad, even in the case of the foreign firms who maintain their own factories and workshops here.

The duty on radios and parts weighing up to 10 kilos is 13.97 milreis (\$0.77) per kilo; from 10 to 50 kilos, 11.22 milreis (\$0.62); from 50 to 100 kilos, 8.415 milreis (\$0.46); and from 100 to 250 kilos, 7.48 milreis (\$0.42).

The Brazilian market for radios has not reached saturation point; new installations are still far in excess of replacements. It has been estimated that it will be another two years before an appreciable diminution in radio sales is observable, and it is hoped that by that time replacement business will have developed to such an extent that there will be little falling off in the actual radio business.

CUBAN MARKET FOR SUGAR BAGS

S. G. MACDONALD, ACTING TRADE COMMISSIONER

Havana, December 26, 1935.—Cuba, which supports 80 per cent of its population by the returns from its sugar production, and with an equivalent percentage of its export trade devoted to sugar, requires large quantities of bags annually. There are two main types used in the industry, namely, raw sugar and refined sugar bags.

RAW SUGAR BAGS

These bags, of from 325 to 330 pounds capacity, are made of heavy jute and are supplied almost entirely from British India. In former years, when sugar production in Cuba was at its height, a greater quantity than the present annual consumption of 14,000,000 bags was used. With the decreased production in recent years the trade has been reduced to that figure, while a yearly carry-over of about 400,000 bags is maintained.

Statistics for jute sacks for both raw and refined sugar indicate a total import of 18,232,618 kilograms (\$1,912,375) during 1934. The export of these bags from India usually commences in October. The first shipments arrive in Cuba about the middle of December, with those subsequent to that period continuing until the end of March, when the largest part of the sugar crop has been harvested. These bags are made with a lengthwise 2-inch purple stripe either printed on both sides of the material or woven into it. Present quotations are 17½ cents each c.i.f. main Cuban ports for orders of not less than 20,000 bags (fifty bundles of 400 bags each, each bundle weighing approximately 500 kilograms).

Freight rates from Calcutta, the main port from which the bags entering Cuba are shipped, are \$9 per bundle, while further charges in Havana which must be considered by shippers are those known as "delivery and reception" amounting to \$1.18 and storage of 75 cents; both charges are per bundle.

These bags are subject to a duty of \$1 per 100 kilograms gross from British India, which duty is equivalent for Canadian shipments, while the United States enjoys a preference of 20 per cent ad valorem.

REFINED SUGAR BAGS

Of the 3,000,000 refined sugar bags required annually under the present sugar production basis, about 1,600,000 single (cotton) and 1,400,000 double (burlap-cotton) bags are required; the capacity of each type is 100 pounds. In considerably lesser numbers the 5-, 10-, and 25-pound cotton bags both for export and domestic consumption are employed, the 5-pound type being the most popular. When exported, these small bags are packed into 100-pound burlap bags.

The specifications of the 100-pound capacity refined sugar bags are as follows: (1) single cotton, generally 36-inch (2·85 sheeting), 42-inch cut or 36-inch, 7-ounce Osnaburg; (2) double (burlap with cotton liner), 36-inch, 6·15 cotton cloth (Osnaburg 6·15 yards to 1 pound), cut to fit the outside

bag, which is usually 1 inch larger and is of 36-inch material, 10-ounce, 42-inch cut.

At the present time the United States is the sole supplier of all cotton bag requirements of the Cuban refineries. These bags are shipped either made-up or in cuts folded and ready to be sewn at the refineries here. Present quotations on 100-pound bags are as follows: for double bags (burlap and cotton), \$127 per 1,000, and for single cotton bags, \$110 per 1,000, all c.i.f. Havana.

Imports of printed unsewn and made-up cotton bags during the past three years have been as follows:—

	1932		1933		1934	
	Kilos	\$	Kilos	\$	Kilos	\$
Unsewn.. . . .	900,894	422,986	1,194,119	602,870	893,881	574,645
Made-up	345,992	115,172	153,595	46,755	138,152	76,434

The customs duties on these various types of refined sugar bags are as follows: Those applied to the burlap-cotton double bags and those used for packing small 5- to 25-pound bags are the same as those for raw sugar jute bags per 100 kilograms gross indicated above. The duties on single cotton bags amount to \$0.056 from the United States and \$0.08 from Canada for folded unsewn bags (with printing thereon), while the same rates plus 15 per cent processing tax for the made-up type are charged.

Canadian bag manufacturers interested in extending their markets to include Cuba, and who are able to compete in price with those quoted, are recommended to communicate with the Acting Trade Commissioner in Havana, who is in a position to place them in touch with leading sugar mills interested in purchasing both raw and refined sugar bags.

MR. LANGLEY'S TOUR OF CANADA

Mr. J. A. Langley, Commercial Secretary in Tokyo, has resumed his tour of the principal industrial centres of Canada in the interests of Canadian trade with Japan, and will visit Winnipeg, January 29 and 30; Edmonton, February 1; and Calgary, February 3.

Firms who wish to be brought in touch with Mr. Langley should communicate, for Winnipeg and Edmonton, with the Canadian Manufacturers Association, and for Calgary with the Board of Trade.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Irish Free State Control of Imports

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Irish Free State import quota of rubber-proofed woven tissue, or similar composite cloth, not less than 2½ inches wide, for the three months beginning February 1, 1936, has been fixed at 450,000 square yards, the same as for the previous three months. Announcement has also been made that thirty specified sizes of pneumatic tire covers have been removed from the scope of the quota of pneumatic tire covers for the calendar year 1936 (reported in *Commercial Intelligence Journal* No. 1664, December 21, 1935).

Documentation for Shipments of Fresh Fruit to Brazil

Mr. L. S. Glass, Canadian Trade Commissioner in Rio de Janeiro, writing under date December 11, 1935, advises that by a Brazilian regulation of December 6, 1935, the shipments of fresh fruit, including apples, need no longer comply with the provisions of the decree of March 21, 1934, which regulates the concession of exemption and reduction of customs duties in Brazil. Under this decree free entry could not be granted to goods which are not consigned by name

to the party claiming the favour, such to be proved by the bills of lading and by the commercial and consular invoices. In short, documents covering such shipments could not be made out "to order" but had to be made out to a named person or firm. By the regulation of December 6 therefore this need is removed as regards fresh fruit and exporters may now make out their documents "to order."

Reduction in Cuban Value for Duty

Mr. S. G. MacDonald, Acting Trade Commissioner at Havana, Cuba, writes under date December 26, 1935, that Cuban Treasury Circular No. 74, effective November 21, 1935, declares that goods subject to ad valorem duties under the provisions of Article VII (which refers to appraisals and dutiable values) of the Cuban customs tariff shall not have, as heretofore, land and marine freight charges added to the dutiable expenses when shipped on a through bill of lading from point of origin direct to a Cuban port. This is the only exception to the inclusion of such expenses in the value for duty purposes of goods subject to ad valorem duties in effect in Cuba.

Consular Invoices for North China

Mr. C. S. Bissett, Canadian Trade Commissioner in Tientsin, writes under date December 15, 1935, that, with reference to the report in *Commercial Intelligence Journal* No. 1643 (July 27, 1935), page 148, concerning Chinese consular invoices, through a recent clarification of the regulations it is apparent that the privilege of refund applies solely to the repayment of the consular invoice fee (which must be paid in full in advance when the consular invoice forms are first issued by the Chinese consulate concerned) when the consular invoice forms have been returned uncompleted to the issuing consulate. Should such forms have been reforwarded completed, to the issuing consulate and thereafter certified as is customary and returned to the exporter, no refund will be made even where no consular invoice was necessary nor where it has not been used for the shipment in question.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, and the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, and the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications.

The supplies in demand for the Public Works Department include: motor-driven pumping sets, valves, piping, and motor-control equipment; oil-immersed self-cooled single-phase transformers; switchgear and steelwork and controlling equipment.

The supplies in demand for the Post and Telegraph Department include: automatic dials; insulating bushes, insulating plates and springs; copper wire; microtelephone handles, switches, and mouthpieces; mouthpiece connections and bridging coils; automatic dial mountings, connection strips, keys and key mountings; power relays; insulated bronze wire; fuses and fuse wire; copper binding and cadmium copper wire; plugs; secondary cells; ebonite handles; lamp caps; shovel, spade, axe, and pick handles; and unburnt plates, lead acid type; switchboard plugs; induction coils; lamp jacks; and strips jacks.

EXPORTS FROM CANADA TO THE UNITED STATES OF PRINCIPAL COMMODITIES SUCH AS ARE PRODUCED ON CANADIAN FARMS, OR MANUFACTURED DIRECTLY FROM SUCH FARM PRODUCTS, DURING THE MONTH OF, AND SIX MONTHS ENDED DECEMBER, 1929, 1929, 1934, AND 1935, WITH UNITED STATES TARIFF RATES IN FORCE

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of December				Six Months ending December				United States Tariff		
	1920	1929	1934	1935	1920	1929	1934	1935	1921	1930	1934 and 1935
Animals (exc. for improv't of stock)—											
Cattle	29,295 2,175,724	9,754 552,411	428 20,321	1,837 87,599	235,080 18,360,666	154,377 8,403,237	1,906 99,970	41,703 1,413,205	Free	Less than 1,050 lbs. 1½c. per lb., heav- ier 2c. lb. Up to \$150 \$30; higher 20% ad val.	Less than 700 lbs., 2½c. per lb., heav- ier 3c. lb. Up to \$150 \$30; valued higher 20% ad val.
Horses	251 56,264	124 18,070	74 11,055	144 17,048	1,569 396,044	431 69,073	1,325 132,954	2,571 268,854	10% ad val	3c. per lb.	8c. per lb. \$3 per head.
Poultry	164,471 195,078	89,721 92,034	1,091 949	2,979 3,083	617,908 673,734	518,223 443,462	3,471 2,929	16,282 10,718	1c. per lb.	25c. bush, 50 lb.	25c. bush, 50 lb.
Sheep	21,796 172,448	100 4	.....	52 219	104,292 1,507,422	2,701 27,268	239 134	514 3,907	Free	2c. per lb.	2c. per lb.
Fruits—											
Apples, green or ripe	1,194 6,716	6,996 37,480	31 245	58 497	23,460 99,817	97,063 455,988	4,234 9,229	2,555 6,619	10c. bush, 50 lb.	1½c. per lb.	1½c. per lb.
Apples, dried .....	.....	.....	.....	.....	.....	.....	.....	.....	1c. per lb.	1c. per lb.	1c. per lb.
Peonies, fresh	7,040	118,146 7,122	92,068 5,021	82,908 4,207	367,804	4,439,319 483,157	3,498,797 209,963	3,213,356 183,460	1c. per lb.	1c. per lb.	1c. per lb.
Grains—											
Barley	2,843	2,314,358	8,315	128	128	88,167	7,408,237	172,730	15c. bush., 48 lb.	20c. bush., 48 lb.	20c. bush., 48 lb.
Bears	137	1,558	1,839,942	3,641	1,707	69,713	5,068,790	96,359	1c. per lb.	1c. per lb.	1c. per lb.
Buckwheat	67,107	43,247	2,053	10,139	86,404	90,714	15,805	15,492	Free	10c. per 100 lb.	25c. per 100 lb.
Oats	134,960	37,556	1,039	3,985	110,700	79,888	9,277	5,970	15c. bush., 32 lb.	15c. bush., 32 lb.	16c. bush., 32 lb.
Peas, whole	88,798	1,099	358,674	46	368,527	7,018	1,116,757	109,747	1c. per lb.	1c. per lb.	1c. per lb.
Peas, split	18,998	3,212	7,004	50	12,100	6,483	30,704	297	20c. bush., 60 lb.	1c. per lb.	24c. per lb.
Rye	110,531	.....	61,200	1,196	422,959	99	603,081	1,556	Free	15c. bush., 56 lb.	15c. bush., 56 lb.
Wheat	12,234,449	1,005,356	34,850	673	743,833	45	385,295	790	Free	42c. bush., 60 lb.	42c. bush., 60 lb.
Grain Products—											
Bran, shorts and middlings	157,442	65,581	363,798	171,847	426,051	978,607	1,570,675	1,420,301	Free if wheat pro- ducts, otherwise 15% ad val	7½c. ad val. if from wheat; otherwise 15% ad val	10% ad val.
Wheat flour	194,181	94,825	407,684	127,256	801,364	1,280,141	1,589,240	1,151,087	Free	\$1.04 per 100 lb.	\$1.04 per 100 lb.
Meats—											
Bacon, hams, shoulders and sides Cwt.	228	1,775	776	314	3,747	10,152	1,924	2,118	Free	2c. per lb.	3½c. per lb.
Beef, fresh, chilled or frozen Cwt.	9,412	71,614	16,611	11,921	133,443	419,839	61,597	75,537	Free	3c. per lb.	6c. per lb.
..... Cwt.	24,715	15,784	2,056	2,884	196,812	179,880	3,334	267,547	Free	3c. per lb.	6c. per lb.
..... Cwt.	356,381	214,752	11,743	31,865	2,961,355	2,786,947	21,240	168,021	Free	3c. per lb.	6c. per lb.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JANUARY 20

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending January 20, 1936, with the official bank rate. Quotations for the week ending January 13, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 13	Nominal Quotations in Montreal Week ending Jan. 20	Official Bank Rate
Austria	Schilling	.1407	\$.1890	\$.1878	3½
Belgium	Belga	.1001	.1699	.1691	2
Bulgaria	Lev	.0072	.0135	.0134	6
Czechoslovakia	Krone	.0296	.0418	.0416	3
Denmark	Krone	.2680	.2222	.2208	3½
Finland	Markka	.0252	.0220	.0218	4
France	Franc	.0392	.0663	.0659	4
Germany	Reichsmark	.2382	.4048	.4030	4
Great Britain	Pound	4.8666	4.9737	4.9500	2
Greece	Drachma	.0130	.0094	.0094	7
Holland	Guilder	.4020	.6836	.6794	3
Hungary	Pengo	.1749	.2971	.2966	4
Italy	Lira	.0526	.0805 Nom.	.0802 Nom.	5
Jugo-Slavia	Dinar	.0176	.0230	.0229	5
Norway	Krone	.2680	.1899	.1889	5
Poland	Zloty	.1122	.2500	.2486	3½
Portugal	Escudo	.0442	.0454	.0450	5
Roumania	Leu	.0060	.0080	.0079	4½
Spain	Peseta	.1930	.1378	.1367	5
Sweden	Krona	.2680	.2565	.2551	2½
Switzerland	Franc	.1930	.3276	.3260	2½
United States	Dollar	1.0000	1.0012	1.0000	1½
Argentina	Peso (Paper)	.4245	.3319*	.3300*	—
Brazil	Milreis (Paper)	.1196	.2713†	.2715†	—
Chile	Peso	.1217	.0843*	.0841*	—
			.0546†	.0553†	—
			.0511*	.0510*	4½
			.0411†	.0410†	—
Colombia	Peso	.9733	.5738	.5723	4
Mexico	Peso	.4985	.2780	.2777	4-5
Peru	Sol	.2800	.2490	.2487	6
Venezuela	Bolivar	.1930	.2563	.2560	—
Uruguay	Peso	1.0342	.8010	.7988	—
Cuba	Peso	1.0000	.2977	.2960	—
Hongkong	Dollar	—	1.0004	.9992	—
India	Rupee	.3650	.3238	.3216	—
Japan	Yen	.4985	.3752	.3736	3
Java	Guilder	.4020	.2912	.2900	3.65
Shanghai	Dollar	—	.6846	.6812	4
Siam	Baht (Tical)	.4424	.4562	.4536	—
Straits Settlements	Dollar	.5678	.5819	.5791	—
British Guiana	Dollar	1.0138	1.0362	1.0312	—
Jamaica	Pound	4.8666	4.9850	4.9625	—
Other British West Indies	Dollar	1.0138	1.0362	1.0312	—
Martinique	Franc	.0392	.0663	.0659	—
Guadeloupe	Franc	.0392	.0663	.0659	—
Australia	Pound	4.8666	3.9800	3.9600	—
Egypt	Pound (100 Piastres)	4.9431	5.1062	5.0700	—
New Zealand	Pound	4.8666	4.0100	3.9925	—
South Africa	Pound	4.8666	4.9675	4.9437	—

* Official. † Unofficial.

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The Canadian dollar exhibited independent strength during the week ended January 18, Montreal rates advancing against sterling, the United States dollar, and the French franc. New York funds were quoted at par on January 18, for the first time since last May, although the dollar was firm against most other exchanges. Lower franc rates were attributed mainly to further indications of dwindling support for the French Cabinet. Silver prices declined 4 cents per ounce during the week and the China (Shanghai) dollar moved slightly lower. A further reduction in the official bank rate of the Netherlands from 3½ per cent to 3 per cent was announced on January 15.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs			
Frozen Poultry.....	58	Singapore, Straits Settlements.....	Purchase.
Miscellaneous—			
Cotton Bags.....	59	Durban, South Africa.....	Agency.
Newsprint.....	60	Singapore, Straits Settlements.....	Agency.
Composition Containers for Packaging Shag Tobacco.....	61	Batavia, Java.....	Purchase and Agency.
Abrasive Paper.....	62	Havana, Cuba.....	Purchase.
Used Automobile Tires.....	63	Shanghai, China.....	Purchase.
Mica.....	64	Birmingham, England.....	Purchase.
Electric Ironing Machines.....	65	Melbourne, Australia.....	Agency.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Saint John

To Liverpool.—Duchess of Bedford, Jan. 31; Montclare, Feb. 7; Duchess of Atholl, Feb. 14; Montcalm, Feb. 21—all Canadian Pacific.

To London.—Beaverburn, Jan. 30; Beaverbrae, Feb. 6; Beaverford, Feb. 13; Beaverhill, Feb. 20; Beaverdale, Feb. 27—all Canadian Pacific.

To Manchester.—Manchester Port, Jan. 30; Manchester Citizen, Feb. 6; Manchester Brigade, Feb. 13; Manchester Exporter, Feb. 19; Manchester Producer, Feb. 27—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Donaldson and Dominion Lines, Feb. 15.

To Glasgow.—Sulairia, Feb. 1; Norwegian, Feb. 15; Airthria, Feb. 29—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk, Feb. 8; Cairnglen (calls at Dundee), Feb. 22—both Cairn-Thomson Line.

To Dublin and Belfast.—Kenbane Head, Jan. 28; Melmore Head, Feb. 13; Dunaff Head, Feb. 25—all Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Gunvor, Canada-Mediterraneo Line, Jan. 26.

To Antwerp and Havre.—Grey County (calls at Rotterdam but not at Antwerp), Jan. 29; Brant County (calls at Rotterdam), Feb. 12—both County Line; Beaverbrae, Feb. 6; Beaverhill, Feb. 20; Beaverburn, March 5—all Canadian Pacific (do not call at Havre).

To Hamburg.—Beaverburn, Jan. 30; Beaverdale, Feb. 27—both Canadian Pacific.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Feb. 7; Lady Nelson, Feb. 19; Lady Hawkins, March 4—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Feb. 12 and March 3.

To Kingston and Jamaican Outports.—San Benito, United Fruit Line, Jan. 29.

To Manila, Hongkong, Shanghai and Dalny.—City of Singapore, Canada-Far East Line, Feb. 10.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Grange Park (does not call at Sierra Leone, Lourenco Marques or Beira), Elder-Dempster Line, Feb. 9.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—Clydebank, Jan. 27; City of Birmingham, Feb. 13—both Canada-India Service.

To Montevideo and Buenos Aires.—Dagrun (calls at Santos), Jan. 28; Nordkap, Feb. 28—both Canada-South America Line; Tureby (does not call at Montevideo), International Freighting Corporation, Feb. 1.

From Halifax

To Liverpool.—Newfoundland, Furness Line, Jan. 28; Lehigh, Oriole Line, Jan. 30; Duchess of Bedford, Feb. 1; Montclare, Feb. 8; Duchess of Atholl, Feb. 15; Montcalm, Feb. 22—all Canadian Pacific; Andania, Feb. 9; Antonia, Feb. 23—both Cunard-White Star Line; Manchester Exporter, Manchester Line, Feb. 21.

To London.—Beaverburn, Jan. 31; Beaverbrae, Feb. 7; Beaverford, Feb. 14; Beaverhill, Feb. 21; Beaverdale, Feb. 28—all Canadian Pacific; Alaunia, Feb. 1; Ascania, Feb. 15; Aurania, Feb. 22—all Cunard-White Star Line; Quaker City, Feb. 2; McKeesport, Feb. 17—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Port, Feb. 1; Manchester Citizen, Feb. 8; Manchester Brigade, Feb. 15; Manchester Exporter, Feb. 21; Manchester Producer, Feb. 29—all Manchester Line; Lehigh, Jan. 30; Winona County, Feb. 27—both Oriole Line.

To Aberdeen, Newcastle and Hull.—Gitano, Ellerman's Wilson Line, Feb. 18.

To Cardiff, Bristol and Swansea.—Boston City, Jan. 29; New York City, Feb. 8; Bristol City, March 3—all Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnross (calls at Dundee), Jan. 27; Cairnesk, Feb. 10; Cairnglen, Feb. 24—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Cunard-Donaldson and Dominion Lines, Feb. 17.

To Glasgow.—Sulairia, Feb. 3; Norwegian, Feb. 17; Airthria, March 2—all Donaldson-Atlantic Line.

To Antwerp.—Beaverbrae, Feb. 7; Beaverhill, Feb. 21; Beaverburn, March 6—all Canadian Pacific.

To Hamburg.—Beaverburn, Jan. 31; Beaverdale, Feb. 28—both Canadian Pacific; Quaker City, Feb. 2; McKeesport, Feb. 17—both American Hampton Roads (call at Hull and Leith).

To Copenhagen, Gothenburg and Baltic Ports.—Svaneholm, Jan. 31; Ragnhildsholm, Feb. 17—both Swedish-America-Mexico Line; Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, Feb. 16.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., Jan. 27; Newfoundland (does not call at St. Pierre), Furness Line, Jan. 28; Fort Amherst, Furness-Red Cross Line, Feb. 3; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Feb. 5.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Jan. 30; Lady Drake, Feb. 13; Lady Nelson, Feb. 27—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Jan. 27 and Feb. 17.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, Feb. 6; Lady Rodney, Feb. 20—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Ba, Jan. 29; Lillgunvor, Feb. 12—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Feb. 22; Chomedy, March 7—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston (Jamaica) and Port au Prince (Haiti).—Cavalier (does not call at Port au Prince), Jan. 30; Cathcart, Feb. 12—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silverwalnut, Jan. 31; Siamese Prince, Feb. 14; Silverteak, Feb. 28—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Challenger, Canadian National, Feb. 28.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Scottish, Jan. 31; Canadian Victor, Feb. 28—both Canadian National.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Phrontis, Java-New York Line, Jan. 30.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, Feb. 15; Hikawa Maru, Feb. 29; Hiye Maru, March 14—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), Feb. 8; Empress of Asia (calls Nagasaki), Feb. 22; Empress of Canada (calls Honolulu), March 7—all Canadian Pacific; Ixion (calls at Miike but not at Manila), Blue Funnel Line, Feb. 2.

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Silveray, Jan. 29; a steamer, Feb. 29—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, Jan. 29; Niagara, Feb. 26—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, Jan. 20; Golden Coast, Feb. 13—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, Jan. 30; Wairuna, Feb. 6—both Canadian-Australasian Line (call at Apia and New Plymouth).

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Roxen, Empire Shipping Co., Feb. 15.

To London, Liverpool and Rotterdam.—Delftdyk (calls at Glasgow), Feb. 8; Nebraska, Feb. 22; Lochmonar (calls at Glasgow), March 7—all Holland-America Line (call at Southampton if inducements offer).

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, East Asiatic Co., Feb. 17.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Wisconsin, Feb. 5; San Jose, Feb. 24—both Empire Shipping Co.

To Scandinavian Ports.—A steamer, Johnson Line, February.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, Empire Shipping Co., Feb. 22.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Nordpol, Canadian Transport Co., Feb. 1.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverbelle, Feb. 5; Tabian, March 9—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hoyanger, Jan. 20; Leikanger, Feb. 17—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Pacific Trader, Jan. 28; Pacific Ranger, Feb. 11; Pacific Shipper, Feb. 25—all Furness (Pacific) Line Ltd. (call at Glasgow and Manchester); Celtic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line Ltd., Feb. 2; Delftdyk (calls at Southampton and Rotterdam), Royal Mail Lines, Ltd., Feb. 7; Ensley City (calls at Avonmouth), B. W. Greer & Son Ltd., Feb. 14.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian.* (See also Netherlands India.)

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: RICHARD GREW, Trade Commissioner. Address for letters—P.O. Box 230, Kobe Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Beursplein 26B, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

ACTING TRADE COMMISSIONER, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martín, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, February 1, 1936

No. 1670

REVIEW OF CONDITIONS IN THE UNITED KINGDOM IN 1935

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

I

London, January 11, 1936.—In the year 1935 the improvement in economic conditions which had characterized the previous year was continued, despite some unfavourable factors, and the indices, particularly of employment, production and domestic trade point to a continuance of the upward trend. Optimism is the prevailing mood, which is well indicated by the Chancellor of the Exchequer in a recent statement when he said: "All those industries which are the best symptoms of purchasing power are among those which are expanding most rapidly. I do not know where you can find anything which indicates a setback." And the President of the Federation of British Industries, in declaring that 1935 had been a year of uninterrupted progress, said that the business men build high hopes of a continued industrial expansion upon "the remarkable economic recovery, which, with occasional limitations, has been proceeding steadily for nearly three years."

The improved conditions to which reference is made are the more striking in view of the continued dislocation of international trade in some directions and unsettlement throughout the world, due chiefly to nationalistic policies and the Italian campaign in Abyssinia.

INDICATIONS OF RECOVERY.

There was an increase in British export trade, both in shipments to Empire and to foreign countries, but the chief stimulus came from a greater domestic demand for goods and services. Retail sales were over 5 per cent higher than in 1934, and of noteworthy importance was the improvement in trades such as automobiles and radio, which are readily affected by any increase in the spending power of the people. This has been indicated recently in a return showing that during the week ended December 25 note circulation was £19,343,000 higher than in the corresponding week in 1934.

The improvement in employment characterized a wide variety of industries which have long been in a state of depression. Indeed, the growth in the number of employed persons was sufficiently marked to compensate for normal seasonal decreases. Although there was some improvement in the shipbuilding, cotton and coalmining industries, they did not enjoy the same measure of improvement experienced in other larger industries.

The Board of Trade Index of production for the first nine months was 7 per cent higher than for the corresponding period of 1934. The average monthly pig-iron output rose from 497,400 tons in 1934 to 533,760 tons in

the first ten months of 1935, and the steel output from 737,500 tons to 812,760. In October steel rose to the highest point for eight and a half years and represented a level of operations equivalent to about 85 per cent of capacity. Building activity was also maintained at a high level. Conditions in the coal trade were affected by the decreased demand overseas, and the darkest cloud upon the domestic horizon is a threatened strike crisis in the coal trade. The total output of coal up to the end of October was unchanged at 184,000,000 tons compared with 1934. The engineering industry made steady progress despite keen foreign competition in overseas markets. The cotton industry made less headway, but the wool textile trade more than regained the ground lost in the latter part of 1934. For the third year in succession business failures declined.

The *Economist* index shows that in November, 1935, as compared with November, 1934, unemployment decreased by 1·7 per cent, coal production increased by 0·3 per cent, iron production by 17·5 per cent, and steel production by the remarkable figure of 137·3 per cent. Imports rose by 6·8 per cent and exports by 3·3 per cent, while the average level of commodity prices rose by 5·6 per cent in relation to an index number of 100 in 1927.

DOMESTIC AND OVERSEAS TRADE.

In 1935 conditions improved in the realm of both domestic and overseas trade. A rise in internal retail sales in all districts is indicative of the extent to which the greater purchasing power of the people is increasing consumption and making its effects felt in a wide range of industries. Bank of England statistics show that the money sales of retail trade reported for November were 7 per cent higher than in November, 1934. This increase is slightly below that recorded for October and was the fourth largest for the first ten months of the years for which records are available.

In the year 1935 United Kingdom exports had a value of £481,186,719 as compared with £447,228,868 in 1934. Imports had a value of £756,936,175 as compared with £731,413,783 in 1934. This subject will be dealt with more comprehensively in a subsequent report.

IRON AND STEEL INDUSTRY.

The iron and steel industry moved steadily forward in 1935, when production surpassed all previous records, the total production for the year amounting to 9,842,400 tons, an increase of 11·2 per cent over 1934. This figure exceeds that of 1917 (9,716,000 tons), the largest ever recorded. Pig iron production in 1935 amounted to 6,426,400 tons, an increase of 7·7 per cent over 1934. The increases, which progressed steadily month by month through the year, point to accelerated activity in the consuming industries, and a still greater demand for iron and steel products is in prospect. The plans for new building aided by national and local Government measures, large expenditures by the railways aided by Government guarantees, the construction of naval vessels and replacement orders, may be counted upon to contribute to a continuance of the improved conditions in the iron and steel industry.

The safeguarding of the home market against excessive foreign competition was an important factor in aiding recovery in the industry. Largely as a result of the raising of the duties on certain classes of iron and steel products, the British Iron and Steel Federation came to a long-term agreement with the Continental Steel Cartel which limited imports from Cartel countries into the United Kingdom and also secured to British manufacturers a larger share of export trade in other markets. (See report in *Commercial Intelligence Journal*

No. 1646, August 17, 1935.) The results have had an invigorating effect upon the industry and have restored confidence in its future.

BUILDING INDUSTRY

Building has continued one of the most prosperous industries in the country with a concomitant decrease in unemployment, and the outlook continues favourable. Activity as a whole continues to expand, although it is not improbable that the great volume of dwelling-house construction has reached its peak. The *Economist* index of building activity rose 233 in November (1924=100), as compared with 205 in November, 1934. The value of plans for commercial and industrial building has been increasing at a much greater rate than the corresponding total for residential building.

During the year there was an increase in the demand for all classes of building construction for factories, warehouses, shops, churches, schools, and public buildings, apart from the continued construction of new houses—with or without state aid. The slum clearance and overcrowding abatement legislation is resulting in local authorities co-operating in clearing areas, demolishing insanitary dwellings, and reconditioning and rebuilding. In the year ended September 30, 32,912 houses had been provided under the Housing Act of 1930 and 40,093 were under construction at that date. The Housing Act of 1935 provides for the redevelopment of central areas, and there are at present no grounds for anticipating any substantial retarding of building activity in 1936.

MOTOR INDUSTRY

The motor trade is becoming an increasingly important part of the country's industrial structure and is now the third largest manufacturing industry. The total of all kinds of motor vehicles in use in the United Kingdom in 1935 was 2,047,000 as compared with 1,875,549 in 1934. The increased production involved has naturally benefited the steel and other contributing industries and the greater demand again reflects the increased purchasing power of the people. The present system of taxation has increased the demand for small cars, less expensively operated, and a greater demand for cheaper high-powered cars is giving British manufacturers competitive opportunities hitherto enjoyed by United States manufacturers. This, the trade anticipates, will ultimately be reflected in a larger share of British manufactures in the export market.

The incidence of the tariff and the improvement in production and servicing facilities of British manufacturers have tended to limit the imports of cars from other countries. In 1934, 60·5 per cent of imported cars came from the United States, 27 per cent from Canada, and 10 per cent from France. In that year imports of cars were less than 4 per cent of British production. It is believed in some quarters that the appearance of a new Ford at a price of £100 may result in price reductions by other leading manufacturers.

SHIPBUILDING INDUSTRY

In the shipbuilding industry, which has experienced a protracted period of depression, recent orders for new ships have resulted in a considerable increase in the tonnage under construction. Although in the first nine months of 1935 the volume of work in the shipyards was about equal to that in 1934, work on ships ordered since September means that the tonnage under construction will approach 750,000 tons for the first time in nearly five years. This improvement is being assisted by the Government's "scrap and build" scheme. Hence the year 1935 showed a considerable improvement over 1934, although in spite of new contracts, none of the shipyards were occupied to more than 40 per cent of their capacity.

Throughout the nine months January to September of 1935 only about 30 per cent of the shipbuilding berths of the country were filled. After taking account of new orders placed or under negotiation to-day, including prospective naval construction, more than half the berths will still remain unoccupied, according to one authority, who states that the improvement in employment which many of the other industries in the country have enjoyed has until now not been experienced in shipbuilding. Nearly 60,000 men are still unemployed, representing 37·7 per cent of the men following the industry. This percentage is two and a half times as high as the average unemployed figure for all the other industries of the country.

TEXTILE INDUSTRY

There has been no marked improvement in the cotton textile industry, but conditions in the industry are steadier and greater export demands in the later months of the year resulted in more orders for many mills than had been secured for several years past. Although much equipment is still inactive, the relative improvement that has taken place in the industry has revived some degree of confidence.

A considerable advance is evident in the woollen textile trade, due for the most part to the rise in raw wool prices. This industry has improved steadily, and it is estimated that the consumption of wool last year was the largest since 1922. In Yorkshire, for example, the woollen textile trade is experiencing an almost unprecedented scarcity of operatives. The *London Times*, in its Trade and Engineering Supplement, says that although the year closed quietly for the Lancashire cotton industry, most spinners and manufacturers had healthier order books than for several years.

The exports of cotton piece-goods showed comparatively little change from the small total of last year, and there was much leeway to be made up before the position could be regarded as anything like satisfactory. The fact that the spinning branch was pressing forward the scheme for scrapping or sealing 10,000,000 spindles, after more than this number had already been wiped out by the process of attrition in the last decade, afforded definite indication that the leaders of the industry considered that much of the trade that was lost had gone permanently.

The improvement in the wool textiles industry compared favourably with that in any other industry. Exports of wool tops reached a record figure, domestic wool consumption being the best of recent years, and it is believed that the industry's unemployment figures will show the lowest average of unemployment for some years. In the wool-importing season 1934-35 the industry imported one of the largest volumes of wool in the history of the trade.

RAILWAY SITUATION

The receipts of the four railway systems in 1935 do not show as considerable an increase as might have been anticipated in view of the improved conditions in domestic trade. The total increase of gross receipts over 1934 is little more than 1 per cent, chiefly accounted for by an increase in revenue from passengers rather than goods. The following table sets forth the gross receipts of the railways in 1935:—

	Passengers	Goods	Coal	Total
		(000's omitted)		
Great Western	£10,649	£ 9,400	£ 5,218	£ 25,267
Increase on 1934	107	123	44	274
London, Midland and Scottish . .	25,040	23,438	12,205	60,683
Increase on 1934	372	311	208	891
London and North Eastern	16,411	16,381	11,809	44,601
Increase or decrease on 1934..	+ 310	- 19	- 93	+ 198
Southern	15,513	3,154	1,579	20,246
Increase or decrease on 1934..	+ 395	- 178	- 29	+ 188
Total, 52 weeks 1935	£67,613	£52,373	£30,811	£150,797
Increase on 1934	1,184	237	130	1,551

EMPLOYMENT SITUATION

At the end of the year, although the total of unemployed was 1,868,565, it was 217,500 less than a year previously. The improvement was common to a wide variety of industries, and it affected for the better such seriously depressed industries as cotton and shipbuilding. Nevertheless, the improvements in industry are absorbing only slowly the surplus labour available. It is estimated by the Ministry of Labour that at December 16, 1935, there were approximately 10,599,000 insured persons, aged 16-64, in employment in Great Britain. This was 62,000 more than at November 25, 1935, and 340,000 more than at December 17, 1934.

There was a further improvement between November 25 and December 16 in coal mining, iron and steel manufactures, and the engineering and cotton industries. Employment also increased in the distributive trades, hotel and boarding-house service, motor vehicle, cycle and aircraft manufacture, tailoring, and textile bleaching and dyeing. On the other hand, employment declined somewhat in building and in pottery manufacture, and there was also some decline in hosiery manufacture and in the boot and shoe industry.

Reviewing the situation over the year as a whole, the average number of persons in employment was 232,000 higher than in 1934 and 1,023,000 higher than in 1932. The December total of registered unemployed was the lowest since June of 1930.

COMMODITY PRICE SITUATION

All groups of commodities participated in the upward movement of prices in 1935. The *Times* index number of wholesale prices on December 30 was 6·8 per cent higher than on the same date in 1934, the respective figures being 107·5 and 100·6 (1913 = 100). There was a steady rise from June up to 5·8 per cent. In December there was a fairly general rise in food prices, which, however, was largely offset by a decline in a number of industrial materials. All groups of food prices recorded higher indices compared with the preceding month, cereals rising 1·3 per cent, meat and fish 2·5 per cent, and other food 1·5 per cent. In industrial materials the iron and steel group rose 0·3 per cent, but all other groups were lower, including declines of 2·1 each in cotton and other textiles.

The level of prices, which rose by 6·8 per cent in 1935, compares with an increase of 2·4 per cent in 1934 and of 0·4 per cent in 1933. The smallest increase of the year was 0·4 per cent in cotton and the greatest 24·8 per cent in the group of other textiles, due to a substantial recovery in prices of wool, hemp, and jute. Iron and steel was 1·7 per cent higher, and the group of other metals and minerals rose 8·7 per cent, owing chiefly to higher prices for copper, lead, and spelter. In food prices the cereals group was 5·5 per cent higher than a year ago, while meat and fish rose 3·2 per cent, and other food 8·6 per cent.

The Board of Trade returns also show a greater average for wholesale prices. Though there was a movement of little more than 4 per cent between the average of 200 commodities for December, 1934, and December, 1935, there were 23 items for which prices increased over 20 per cent, and three for which prices decreased more than that amount. Increases ranged up to about 90 per cent, there being six of between 30 and 50 per cent, two of about 55 per cent, and one of about 90 per cent, while of the decreases the greatest was one of 45 per cent.

FINANCIAL SITUATION

The discount rate of the Bank of England remains at 2 per cent, and the year 1935 was marked by monetary ease. There does not appear to be any

prospect of an early rise in money rates. Note circulation is nearly £20,000,000 above that of a year ago, and bank clearings have expanded, indicating greater financial and business activity. The total clearings for the eleven months ended November were £35,236,203,000 as compared with £33,421,436,000 in the corresponding period of 1934. Bank balances have increased, and in November London clearing banks reached a record total of £2,039,494,000. Bank investments in October reached a record of £626,429,000. Returns of the Committee of London clearing banks show that there was an increase of 5·8 per cent during 1935 in the turnover of cheques, bills, etc., following an increase of 10·4 per cent in 1934 compared with 1933, again reflecting active trade conditions in the country.

STOCKS AND SHARES

The year upon the Stock Exchange ended optimistically as a result of the generally improved conditions in industry. The most substantial movements took place in the industrial section, support being given to the shares of companies associated with the motor, electrical, and general engineering trades, and the shares of brewery, store, and retail distributors generally continued to receive patronage. The shares of companies dependent upon particular commodities were also favoured, rises taking place in oil, base-metal, and rubber and tea shares. According to the table published by the *Bankers' Magazine*, made up to December 16, while 87 fixed interest stocks showed a reduction of £122,458,000 or 2·4 per cent, the value of 278 securities subject to variable dividends is £118,591,000 greater, representing an increase of 5·8 per cent.

Taking index numbers to illustrate the course of security values and adopting 100 for prices in December, 1921, as the base, it is shown that while the index number at the end of the year for fixed-interest stocks was 129·5 compared with 132·7 a year ago, that for the variable-dividend group was 120·1 against only 113·5. Making comparison with December, 1921, the fixed-interest group now shows a rise of 29·5, while the rise in the variable-dividend group is 20·1 per cent.

NEW CAPITAL ISSUES

With the almost total cessation of lending abroad, according to figures issued by the Midland Bank *Monthly Review*, new capital issues in the United Kingdom in 1935 amounted to £182,824,000, as compared with £150,190,000 in 1934. The increase as between last year and the year before is traceable almost entirely to a single special issue, that of £32,000,000 of Government-guaranteed stock, at a price of 97 per cent, for the purpose of financing the improvement of London's suburban transport facilities. Even apart from this issue, however, private undertakings—as distinct from public authorities—raised a great deal more money through the capital market last year than in 1934.

NEW GOVERNMENT FINANCING

Two new loans were offered for subscription early in December to the nominal amount of £300,000,000 upon terms which set up a new record for cheap Government borrowing here. The loans are intended wholly for refunding purposes.

REVENUE RETURNS

The Chancellor of the Exchequer's estimate of increased revenue for the whole year was £18,029,000, but the returns for the first nine months of the budget year show that ordinary revenue amounts to £435,924,367 and exceeds the total for the corresponding period of 1934 by £22,611,755. Commenting on this the *Times* says: "It is impossible at this stage to estimate with any

accuracy the probable outturn for the whole year, but as the final quarter is the most active tax-collecting period the revenue prospects for the year seem distinctly bright, having regard to the general growth in trading profits and in incomes, thanks to increased employment and more active trade."

Increased imports have yielded greater returns from customs duties, which were some £4,000,000 above the sum for the corresponding period of 1934. An increase of almost £2,000,000 in income tax receipts also took place.

MARKET FOR CANADIAN GOODS

The returns of Canada's trade with the United Kingdom show the extent to which Canadian products are finding an outlet in increasing volume in the United Kingdom market. As a later report will show, there has been a steady increase in Canadian exports to the United Kingdom during the past year, and a reiteration of the declared policy of encouraging mutual trade has deepened the friendly disposition towards Canadian goods. This is illustrated by the rise of the value of United Kingdom imports of Canadian goods to £37,251,773 in the nine months ended September 30, 1935, as compared with £34,589,192 in the corresponding period of the previous year, while British exports to Canada in the periods referred to were £15,349,848 and £14,393,631 respectively. The United Kingdom customs authorities manifest a disposition to assist Canadian exporters in connection with their shipments to the United Kingdom by co-operating in the solution of problems incidental to customs clearance.

As has been pointed out in a previous report, the possibilities of the United Kingdom as a market for Canadian products are by no means exhausted. Efforts to stimulate interest in the greater consumption of Canadian goods have been more closely co-ordinated and therefore have become more intensive and effective as a result of a greater measure of co-operation among various Government and other Canadian representatives engaged in the common task of promoting the sale of Canadian goods. To retain his share in this market and goodwill towards his products, the Canadian exporter must study prevailing tastes and requirements and be prepared to adapt his products to meet changing needs and standards. Quality must therefore be maintained and adequate distribution assured.

In spite of the tariff advantages enjoyed by Canadian goods in this market, competition becomes keener as time goes on. In view of the great improvement in methods and service incidental to manufacture in this country and the improvement in the capacity of other British Empire countries both to produce and export, constant attention must be paid to price and quality if the demand for Canadian goods is to be maintained and still further expanded.

OUTLOOK FOR 1936

The progress made in all industries in 1935 provides ground for an optimistic outlook for the future. Although widely divergent factors are involved, it is believed that the improvement in trade generally which has taken place, particularly in those industries which have been in a depressed condition for some time, is an indication of a still greater and more pronounced degree of recovery. There are no indications that the increased internal demand is coming to an end, and in spite of some disturbing elements which exist, the prospects for a continued improvement in export trade are bright. Imponderable and changing factors, however, such as political and international events, make positive prediction somewhat hazardous.

A second section of this report, to be issued later, will deal comprehensively with the "Overseas Trade of the United Kingdom in 1935."

CHRISTMAS TURKEY TRADE OF 1935 IN ENGLAND

W. A. WILSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, January 6, 1936.—Early in the autumn of 1935 there were many indications of a short supply of turkeys for the Christmas trade. A number of large multiple-shop groups had contracted forward for their requirements to be imported direct from the Continental sources, and this added to the wholesalers' anxiety and helped to influence higher wholesale prices. As the season advanced the prices were increased and eventually reached an unexpectedly high level.

The great majority of the retailers, in the usual way, left the purchasing of their turkeys until close to Christmas, and they eventually had to pay prices that were too high for consumers with limited means, consequently many of them were left with surplus stocks. Some of the wholesalers were also left with a fair quantity of turkeys, and, in addition, several shipments arrived during Christmas week, too late to be offered before the holiday, and these went direct into storage.

PRICES BEFORE CHRISTMAS

The weather was cold during the month of December up to the 24th, which made it ideal for a good trade. In the rush of buying, good-quality home birds of the right weights were quoted as high as 2s. 2d. per pound, Irish birds at 1s. 9d., and Canadian at 1s. 7d. A few French birds were imported, and these sold around 1s. 7d., while light weights from Hungary, Yugoslavia, Bulgaria, Serbia, and Czechoslovakia were selling at from 1s. 3d. to 1s. 6d. The total imports of Canadian turkeys amounted to only 240 boxes in Liverpool and 520 in London.

Several of the big multiple-shop buyers who had contracted forward for turkeys from Southern Europe secured them at prices that permitted a retail price of 1s. 3d. per pound. These were small birds of common eating quality, but graded and packed uniformly and neatly. They fill a useful place in the trade. The demand for heavy turkeys was exceedingly limited and they were difficult to sell.

The unusual and uncertain conditions, especially pertaining to supplies, and the consequent high prices generally had the effect of lessening the normal consumptive demand. Those retailers who were unable to clear their turkeys before Christmas returned the surplus stocks to their wholesalers with a request to have them sold to the best advantage.

QUOTATIONS FOLLOWING CHRISTMAS

Quotations on London market immediately following Christmas varied from 7d. for the lighter weights from Southern Europe to 1s. for Irish and 1s. 2d. for English turkeys. It is estimated that the market will remain dull and unattractive for at least a month or six weeks, or until the storage stocks are reduced and the psychological effect of the high prices wears off.

CHRISTMAS, 1936, PROSPECTS

The disappointments that were experienced by many substantial and large buyers of Canadian turkeys, because the birds were not available this year, will make the position more difficult for the Christmas shipments in 1936. Dealers will want to know with certainty, and early in the autumn of 1936, whether or not any considerable quantity of Canadian turkeys will be obtainable. In the absence of dependable information about supplies, they will be

disposed to cover their requirements from other sources in the hope of escaping a second disappointment and the necessity of paying the relatively higher prices which generally rule in December, and especially for two weeks before the holiday.

For three years in succession the imports of turkeys from Canada were in reasonably fair volume, uniformly graded and excellent in appearance, being well fleshed and neatly prepared. In that time the turkeys had made a place for themselves in the trade. But the heavy decline in the imports in 1935, although directly due to the late hatch in the spring of that year and the immature condition of the turkeys about the middle of November, when they should be killed if they are to reach the British market in time for the Christmas trade, has been unfortunate. Canada's reputation for quality turkeys is unaffected by the heavy decline in shipments; no immature birds were exported.

EFFECT OF HIGH PRICES

It is not too early to consider the effect of the high prices in 1935 on the turkey-breeding program for 1936 in competitive countries. The satisfactory returns to the producers during the season just past will, no doubt, influence more extensive production, which in the aggregate may result in excessive supplies on the British market. There is therefore the possibility of next season's prices approaching the 1933 level.

While it is not possible for even the best-informed persons in the trade to make a reasonably accurate forecast a year in advance, it may be assumed that the wholesale trade particularly will be inclined to the view that low prices are likely to prevail, and will endeavour to negotiate its purchases accordingly. But there are many factors which may intervene between the next hatching season and the December following. It is safe, however, to shape the programs on the assumption that only good turkeys of suitable weights (10-12, 12-14, 14-16 pounds; the two latter are preferable) will have a chance of finding an outlet that will be profitable to the producer.

TRADE OF JAMAICA, JANUARY TO SEPTEMBER, 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, January 14, 1936.—Recently published official statistics give the total value of imports into Jamaica during the nine months ending September 30, 1935, as £3,565,756 as compared with £3,348,969 for the corresponding period of 1934. These figures include imports by parcels post, unclassified as to countries of origin. The increase in 1935 is due to the general improvement of business following the banana industry's recovery from hurricane damage in preceding years. Unfortunately, in October last about 3,000,000 banana trees were destroyed by the high winds raised by a hurricane that passed the island some miles out to sea, and the effects of this disaster will be apparent in the trade returns for the last quarter of 1935, when these are available. Retail purchases during the recent Christmas season were somewhat below estimates made before the storm occurred.

Of total imports during the period January-to-September, 1935, the United Kingdom is credited with £1,374,891 (40.2 per cent), the United States with £636,153 (18.5 per cent), Canada with £575,893 (14.5 per cent), Japan with £56,764 (1.6 per cent), and all other countries with £821,004 (25.2 per cent). Canada's percentage is 1.5 below the figure for the calendar year 1934. The chief cause for this decline is the diversion to the United Kingdom (and more recently to Australia) of a substantial portion of Jamaica's flour business.

On the other hand, Canada's position as a supplier of manufactured goods to Jamaica, although modest so far, has been well maintained, and in one or two instances, notably that of leather boots and shoes for women, has been bettered. In the nine months ended September 30, 1935, total imports of these articles into Jamaica were 19,650 dozen pairs (£61,826), of which 17,161 dozens (£52,497) came from Great Britain, 1,728 dozens (£6,549) from Canada, 27 dozens (£130) from the United States, 2 dozens (£8) from Japan, and 732 dozens (£2,642) from all other countries. Although the figures might of themselves suggest that Canada is a rather bad second in this trade, it should be remembered that only during the past year or so have Canadian shoes been sold in Jamaica in any quantity worth recording; further, that imports from the Dominion are exclusively of women's shoes, Great Britain having the bulk of the business in men's.

For purposes of accurate comparison, therefore, the total of 19,650 dozens should be halved; and when this is done it appears that Canada had over 17 per cent of the trade, during the period under review, in the kinds in which she competes.

Jamaican exports in the first nine months of 1935 totalled £3,048,455 in value, as compared with £2,234,560 during the corresponding period of 1934. The increase was almost entirely due to the recovery of the banana industry from hurricane damage.

DRIED FISH MARKET IN JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, January 14, 1936.—Total imports of dried and salted fish into Jamaica during 1934 amounted to 13,941,138 pounds valued at £172,943. The following statement shows imports during the calendar years 1932, 1933, and 1934, with countries of origin:—

	1932		1933		1934	
	Lbs.	£	Lbs.	£	Lbs.	£
United Kingdom	35,915	445	11,895	273	13,533	212
Canada	6,101,964	75,890	5,235,683	53,606	5,687,664	68,903
Newfoundland	8,893,715	121,032	9,025,180	96,808	8,212,076	101,949
United States	13,296	637	11,741	649	15,420	645
Other countries	14,039	761	13,561	970	12,445	1,264
Total	15,058,929	198,765	14,298,060	152,306	13,941,138	172,973

The bulk of the fish included in the preceding statement consists of cod; small quantities of hake and pollock are also included, but the sale of these varieties is limited chiefly to prisons and other public institutions, and would represent only a small proportion of the whole.

As will be seen from the above statement, Newfoundland was the principal supplier of fish in this category, Canada coming second; competition from other sources was of negligible proportions. The market is an all-year-round one, shipments arriving every week throughout the entire year. As the climate is tropical, care must be exercised to avoid over-stocking, as when this happens, as it occasionally does, claims and losses result.

The Jamaican market requires cod in three grades—namely, large, medium, and small—and fish of a rich amber colour, hard-cured, is in greatest demand. This cure seems to stand up better under the tropical climate than the more delicate white cure, and the risk of loss is accordingly less. The standard package is a wooden cask, 448 pounds net weight. In preparing the fish for this market, as in the case of other markets as well, particular care should be taken in grading. A number of shipments reached this market last year in which

small and medium fish were packed in the same cask, and which resulted in a reduction in the prices obtainable. Proper attention to grading would naturally result in the shipper netting a higher average price for his fish.

The fish trade of Jamaica is done through resident commission agents who take orders from wholesalers and retailers on a commission basis. Where the agent guarantees the account an additional commission is granted. A discount of 1 per cent for cash is customary.

Canadian fish is almost invariably sold f.o.b. Halifax or other port of shipment, while Newfoundland fish is sold c.i.f. Kingston.

IMPORT DUTIES

Jamaican import duties on dried salted fish are at the rate of 3s. 6d. per 100 pounds under the preferential tariff and 7s. per 100 pounds under the general tariff. In order to be entered at preferential rates, a properly executed certificate of origin is necessary. Form of invoice with certificate of origin acceptable to the Jamaican Government is in the terms agreed upon at the Imperial Customs Conference in 1921, and the entire document is obtainable from commercial stationers in Canada.

PUBLIC FINANCES OF ROUMANIA

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

BUDGET

Cairo, December 15, 1935.—Revenues during 1922 to 1927 exceeded the estimated expenditure, and the surpluses were utilized for the requirements of the railways, armaments, the building of schools, and for the redemption of part of the internal and external floating debts. The deficits of 1928 to 1931 were covered by means of loans, but the budgets of 1932-33, 1933-34, and 1934-35, which also closed with heavy deficits, due mainly to the slump in the country's staple products, could not be covered by loans, and a large floating debt resulted.

RECEIPTS AND EXPENDITURES

The following table for the fiscal years (ending March 31) shows the main items for receipts together with the total receipts and expenditures under the ordinary budgets since 1933:—

	1933-34	1934-35 ¹	1935-36 ²
	Figures in 1,000 Lei		
Direct taxes	3,457,148	3,610,300	3,425,600
Indirect taxes	7,516,379	7,205,500	7,025,570
Stamp duties	1,939,615	1,894,300	1,900,000
Monopolies	4,502,378	4,087,500	5,551,946
Miscellaneous	948,518	2,011,700	2,783,720
Total receipts	18,364,038	18,809,300	20,686,836
Expenditure	20,360,620	19,845,100	20,171,697
Balance	— 1,996,582	— 1,035,800	+ 515,139

¹ Provisional. ² Estimates.

It may be noted that in the 1933-34 budget the estimated revenues were for 33,933 million lei, and that the actual receipts were short of the estimates by 15,569 million lei. For the year 1934-35 ordinary budget receipts amounted to 18,809 million lei, or 1,700 million lei below the estimates.

For the present financial year, 1935-36, the ordinary budget was practically balanced at about 20,500 million lei. Additional revenue amounting to 406 million lei was to be obtained by the creation of new consumption taxes on

cement, carbonic acid, and electric lamps, and by increased taxes on rice, coffee, vegetable oils, and a few other commodities. On the other hand, a profit of some 800 million lei was expected from the minting of new coinage. A separate budget was drawn up to provide for 2,000 million lei for special army expenditure. Of this amount, 1,045 millions was to be obtained from the business turnover tax, 300 millions by increased consumption duties on sugar and glucose, 250 millions by a consumption tax on flour, 155 millions by a 12 per cent tax on petroleum products, and 250 millions by a special tax on real estate. The extraordinary budget was replaced by a budget for the liquidation of the arrears under former ordinary budgets.

PUBLIC DEBT

The indebtedness of Roumania increased considerably after the Great War, but up to 1932 the service of the public debt had been maintained.

On January 1, 1931, the total public debt of Roumania was 185,526,481,269 lei or about £227 millions sterling, over £12 per head of population. The sum required to provide the service of the public debt increased from 827 million lei in 1922 to 6,770 million lei in 1931. This latter figure represented about 24 per cent of the total estimated expenditure under the 1932 budget. As this percentage was rising rapidly owing to falling receipts from taxation, Roumania endeavoured to lighten the burden of the service of the debt. In the budget estimates of 1933-34 a sum of 4,552,976,610 lei was earmarked for the service of the public debt. This decrease was made possible by the facilities granted under an agreement signed in Paris early in 1933 by the Roumanian Government and the foreign association of Roumanian bondholders. In 1934-35 the service of the debt absorbed 2,284,000,000 lei.

On January 1, 1934, the total consolidated public debt of the country was 125,654,548,000 lei, the total foreign debt being 112,122,309,000 lei, or 89 per cent. For purposes of calculation, the sterling debts were converted at a rate of exchange of 560 lei to the £ and 120 lei to the dollar. There has been an appreciable decrease in the capital of the public debt as a result of the depreciation of these two foreign currencies. In April, 1934, the floating debt exceeded 30,000 million lei.

CURRENCY

The average note circulation, which in 1929 was 20,393 million lei, decreased to 19,246 million lei in 1930, the low point being 18,222 million lei at the end of June. The decrease was due mainly to depressed economic conditions. Although a considerable amount of foreign currency was drawn off, the National Bank was able to meet all State and private exchange requirements and also to hold the necessary legal cover. Thus the rate of exchange of the leu was maintained at a stable rate slightly under the gold parity fixed under the law of February 7, 1929 (813.59 lei to the £ against a pre-war value of 25.225 lei to the £).

EXCHANGE

The rate of exchange, which was 816 lei to the £ in September, 1931, fell to 658 in October following the abandonment of the gold standard in Great Britain. It dropped further to 578 in December, confidence in the stability of the leu having been shaken as a result of budget deficits, decreased State revenues, and instability of legislation.

Early in 1932 rumours became current that there would be inflation and devaluation in the monetary unit, and holders of lei began to exchange their holdings for foreign currency; legislation was then passed controlling all exchange transactions. In April the average (official) rate of exchange had risen to 635 lei to the £. By December, however, it had dropped to 556.

The average official rate of exchange for the year 1933 was 564 lei to the £, this result being obtained through the enforcing of measures controlling foreign trade and exchange and by postponing the payment of large sums owing both by the State and by private concerns, including all debts from 1932.

At the end of 1933 the official rate of exchange was 549 lei to the £; the gold cover was 35.6 per cent and the discount rate 6 per cent.

At the end of 1934 the official rate of exchange was 496 to the £. The notes in circulation stood at 22,307 million lei on December 31, 1934; with a gold cover of 10,285 millions at the National Bank and 91 millions in foreign exchange, the proportion of gold and foreign exchange to liabilities being 35 per cent. The discount rate was $4\frac{1}{2}$ per cent.

UNOFFICIAL RATE

There is another side of the picture. The unofficial rate of exchange within the country itself, on the so-called "Black Bourse," differs very considerably from the legal rate, reflecting fears regarding the stability of the monetary unit which have been growing during the last few years. The opinion in banking circles is that the stabilization rate of 813 lei to the £ had been fixed too high and that a rate of from 1,000 to 1,200 would have been more in line with the conditions prevailing at the time the gold value of the country's currency was definitely fixed.

In June, 1935, whereas the official buying rate for sterling was about 491 lei to the £, on the unofficial market the rate was about 930, a depreciation of 47 per cent, which figure may be compared with the premium of 44 per cent at present imposed on the foreign exchange resulting from the payment of imports to provide funds for the payment of export premiums designed to encourage the sale of Roumanian products abroad.

CURRENT ECONOMIC CONDITIONS IN GERMANY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, January 13, 1936.—Germany's economic position during the concluding quarter of 1935 has been characterized by several factors of particular interest. It has been noted in previous quarterly reports under similar headings (see *Commercial Intelligence Journal* Nos. 1637, 1647, and 1659) that while outwardly this country has made noteworthy progress towards recovery, a careful analysis of the basis of the present economic structure has revealed serious faults. These do not appear to be open to immediate correction, and this reservation should be read into the summary of recent conditions which is given herewith.

FOREIGN TRADE

The "New Plan," designed to rehabilitate Germany's foreign trade and public finance, has produced an important result in that, for the first eleven months of the year, there is a modest favourable trade balance. For the period January-November, 1934, Germany's imports exceeded exports by R.M.240,000,000. This figure has been converted during the same period in 1935 to a favourable balance of R.M.77,000,000. This attainment must be counted as substantial, even with the proviso that imports of some necessities have been seriously restricted, to the detriment of living standards and to industry. There has also been an unduly heavy drain on stocks of raw and semi-manufactured goods and a general decrease in the volume of both import and export business.

The drastic decrease in the value of Germany's import trade is particularly evident in figures of her purchases from Canada. During the first nine months of 1934 German imports of Canadian products were valued at R.M.57,999,000, whereas for the same period in 1935 the total was R.M.9,642,000. The latter figure, needless to say, is comprised to a large extent of metals, minerals, and similar commodities which cannot in the ordinary course of events be procured from other than Canadian sources.

TRADE RESTRICTIONS

An anticipated sequel to the recent foreign trade position has been the issue of further restrictions on private import and export transactions. Even the stringent rules under which such business has operated during recent months have been inadequate to produce the desired results. In practice, there have not only been evasions of the laws but an undesirable drain of essential goods and considerable imports of non-essential materials. The issue of the first of these regulations coincided closely with the imposition of sanctions by League member states and provided for the prohibition of the export of a varied list of foods and industrial materials. This has been followed by further orders which limit the export of other goods to transactions involving payment in free reichsmarks or in foreign exchange and by the requirement that, in the case of many countries, including Canada, all but a few essential commodities may henceforth be imported into Germany under barter arrangements only when the German export value is in a ratio of 3:1 to that of the foreign import.

CURRENCY RESTRICTIONS

A further step in the series of currency restrictions is the recent prohibition of the importation of German paper currency from abroad. It has for some time, of course, been illegal to export such currency and the position is now taken that notes held abroad have been transferred from the country in contravention of the law and may not, accordingly, be returned. This has naturally led to extensive depreciation in quotations on reichsmark notes in other countries, the market in London now being some 20-24 to the pound, whereas six months ago it was in the neighbourhood of 14.

There is no means, of course, of estimating the value of German paper currency held abroad, but, in view of this last regulation on the subject, it must be considerable. This matter also is one which exemplifies the determination of the Government to maintain or improve its financial position by every available means.

FOOD SHORTAGE

The food shortage continues and in aggravated form. An unofficial system of food-cards and privileged lists has developed in the larger centres of population, while prices, despite regulation, have increased appreciably. Producers and traders have, in numerous instances, been punished for infringements of the food and price laws.

Shipments of frozen beef from Argentina and Uruguay, said to amount to some 35,000 tons, are now commencing to arrive. These do not appear likely, however, to exercise any appreciable amelioration in the position of the average consumer to whom the scarcity of sausages, lard, butter, and eggs is of paramount importance.

GERMAN—UNITED STATES TRADE TREATY

The most-favoured-nation agreement between Germany and the United States was terminated in October. Under normal conditions this would have resulted in improved opportunities in this market for such goods as are produced

for export both in Canada and the United States and for which there are both general and conventional rates of duty. Under the system of import restrictions, however, the present advantage to be gained from the situation is comparatively negligible, although increased Canadian business to the German market in fresh apples, salmon caviar, seeds, and a few other items may conceivably result.

BARTER TRADE WITH GERMANY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, January 15, 1936.—The German Government has recently issued new regulations relative to barter trade which may be of interest to those Canadian export and import firms who have been trading with this country on this basis.

It will be recalled that the institution of "barter" or "compensation" business was occasioned by the necessity of attaining a more even balance between exports and imports than had previously existed, as well as the desire, in view of the strained credit situation, to produce an influx of foreign exchange. The scheme was applicable only to those countries with which no "clearing" agreement had been established, while it was specifically designed to regulate trade with individual countries and did not permit German exports to one to be made a basis for imports from another. It provided, at the same time, for the bartering of German products, on a 1:1 basis, for such foreign goods as were counted as essential to German economy, and at varying rates, such as 1:1.3, 1:1.7, or 1:2 for other non-essential goods. In such cases the excess value of the German export over the foreign import was required to be paid in free reichsmarks or foreign exchange. Coincident with the arrangement of transactions under these rules, it was also necessary to obtain permits for the importation of foreign goods following the submission of applications with proof that export transactions had actually been arranged or completed and full details of the contemplated import deal.

NEW REGULATIONS

It is now stated that the regulations hitherto in force have proved inadequate to produce desired results. Actually, from a review of recent trends in Germany's foreign trade, this would not appear to be the case, but the system has undoubtedly been deficient in several respects, viz: (1) in order to arrange a basis for imports, essential goods have frequently been exported from the country; (2) imports have commonly been over-valued; (3) non-essential imports have been substituted for those of necessities owing to higher profits obtainable. The latest regulations, therefore, as issued on December 27, 1935, provide, firstly, for the importation of certain "essential" goods, under barter arrangements, on a 1:1 basis.

The list of such commodities is not an extensive one, but contains the following, as of interest to Canadian exporters: wool, hog casings, aluminium, nickel, copper and alloys, lead, zinc and miscellaneous ores, asbestos, fish oil, lard, radium concentrates, natural carbon black, and mica. All other imports, however, may henceforth be bartered only on a 1:3 basis—i.e., German exports must be three times as large as the corresponding imports from Canada, while the excess value, amounting to twice the value of the Canadian import, must be paid in free reichsmarks or in foreign exchange.

SITUATION AS AFFECTING CANADIAN PRODUCTS.

The incidence of these regulations, in so far as Canadian trade to this market is concerned, is expected to be fairly serious. It has in general been

difficult for importers to locate "compensation partners," on a basis of whose exports to Canada, purchases of Canadian products can be arranged. All such trade also has been seriously handicapped by the rigorous control of the German Supervising Boards and their reluctance to grant import permits. The new ratios for non-essential commodities, which are now enforced, are, it is believed, sufficiently high to discourage keen interest in trade to this market and it is accordingly anticipated that the volume of Canadian exports to Germany will undergo further reductions, and that it will henceforth be comprised almost exclusively of the few commodities which are absolutely essential to local economy and are procurable from few other sources of supply.

EXCHANGE CONTROL IN COSTA RICA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, January 6, 1935.—To Canadian exporters possibly the most interesting feature of exchange control in Costa Rica is the fact that there appears to be no difficulty in obtaining foreign exchange to pay for imports from Canada. Imports of Canadian goods into Costa Rica are not handicapped by the operations of the Exchange Control Board, but by the depreciation of the Costa Rican colon on the foreign exchanges, and the continued low prices obtained abroad for Costa Rican products. The colon is currently quoted at 6.89 colones per United States dollar and may decline even further, while the demand for and the returns from Costa Rican exports of coffee, bananas, and cocoa continue to be far from satisfactory.

It will be readily understood therefore, that since there is no difficulty in obtaining permission to purchase foreign exchange from the Control Board to pay for imports from Canada, delays in remitting are due to either a lack of funds on the part of the importer, or his desire to postpone payment in the hope of obtaining a more favourable rate of exchange at a later date. Happily, in so far as Canadian collections are concerned, such delays are the exception rather than the rule.

OPERATIONS OF THE CONTROL BOARD

IMPORTS

The Costa Rican importer desirous of meeting his Canadian obligations promptly, regardless of the rate of exchange, may do so by promptly presenting his shipping documents to the Exchange Control Board accompanied by an application in duplicate requesting authority to purchase the necessary foreign exchange. The application form when filled out and signed by the importer or purchaser, gives complete information regarding the transaction, coinciding with details shown on a regular and complete set of shipping documents. The Exchange Control Board registers the transaction and returns the shipping documents to the importer together with a permit to purchase the necessary foreign funds. This permit bears an official registration number, the duplicate of the same number being retained by the board. The importer is then obliged to conclude the transaction by the purchase of the foreign exchange applied for and authorized, within five days of the date of issuance of the permit. The funds required may be purchased from any bank or individual, the buyer surrendering his permit to the seller, who in turn is obliged to return it to the Exchange Control Board as proof that the transaction has been completed.

Permits to purchase foreign exchange bear a stamp of the Exchange Control Board, which says in effect "Exchange specified on this permit to be allotted from exchange available from proceeds of exports to (specified) country." Under the regulations of the board these permits may total a daily amount for any one

country not exceeding the daily purchase of Costa Rican products by that country. In practice it is believed that the Exchange Control Board finds difficulty in adhering strictly to this system, and to offset the difficulty it is understood that a daily balance available as payment for importations from one country, if not applied for and used within a reasonable time, may be allotted in payment for importations from some other country. Of course this reallocation of foreign exchange is limited by the necessity of balancing total imports against total exports.

EXPORTS

On the export side, the Exchange Control Board is faced with obvious difficulties. Gold may be brought in or taken out of the country without let or hindrance, but of course gold currency is not in circulation. Silver currency was called in on August 22, 1935, under Decree 168, and was replaced by token currency. Silver may be imported into Costa Rica freely, but may be exported only by the Banco Internacional de Costa Rica by arrangement with the Government. Colon notes may be taken out of Costa Rica freely and United States notes are also free, both in and out. Concerted efforts to foster the tourist trade are being made by steamship companies, hotels, and the Costa Rican Tourist Bureau in co-operation with the Government, but it is estimated that up to the present time tourists do not exceed 5,000 a year, and their expenditures in Costa Rica probably do not amount to more than \$100,000 annually.

The principal source of foreign exchange is of course from drafts drawn on foreign firms to cover exports of Costa Rican products, and these are controlled and recorded carefully by the Exchange Control Board. However, total foreign exchange available from domestic exports and all other sources continues to be insufficient to meet all obligations. The depreciation of the colon is expected to adjust Costa Rica's balance of payments eventually, but the process will be a slow one.

CIGARETTE INDUSTRY IN NETHERLANDS INDIA

Market for Supplies

R. P. BOWER, ACTING TRADE COMMISSIONER

(All values are in Canadian dollars, which have been converted at the rate of 1.50 fl. equals \$1 Canadian)

LOCAL INDUSTRY

Batavia, December 11, 1935.—The population of Netherlands India is in excess of 60,000,000, and the consumption of tobacco in various forms is enormous. Cigarettes have always been the most popular form of consumption because they could be offered at a price the natives could afford to pay.

The demand was originally satisfied by native-made articles and by imports from abroad. About half a century ago the first mechanical equipment for the manufacture of cigarettes was introduced. The industry expanded, foreign capital being attracted by the profits which the customs tariff assured. In 1924 the import duty on cigarettes was raised from \$0.67 to \$1 per kilo (approximately 1,000 cigarettes). At that time local manufacturers were paying an import duty on tobacco paper and packing materials of about 10 cents per 1,000 cigarettes, so that a protective margin of approximately 90 cents per 1,000 existed. As time went on, the tariff against foreign cigarettes increased until by the middle of 1932 there was a 50-per-cent surtax on the existing rate of \$1 per 1,000.

These duties and the expansion of local manufacturing reduced imports from over 4,500,000,000 cigarettes in 1924 to 192,600,000 ten years later. At the same time the local mechanical production was steadily increasing, the figures for 1927 and 1930 being 5,600,000,000 and 10,000,000,000 respectively. At the end of 1933 there were twenty-five cigarette factories and three cigar factories registered under the Factory Act as producing cigarettes or cigars by mechanical means, exclusive of the numerous establishments where only hand labour was employed. Important though factory-made cigarettes are, they still take second place to the native-made, as is indicated by the following table, which shows the relative position of various sources in 1934:—

	Pieces
Mechanically manufactured cigarettes	7,500,000,000
Hand-made cigarettes	600,000,000
Native cigarettes	12,000,000,000
	<hr/>
Imported cigarettes (192,624 kilos)	20,100,000,000
	192,624,000
	<hr/>
Total	20,292,624,000

PRINCIPAL TYPES OF NATIVE CIGARETTES

There are two principal types of native cigarettes, known as "strootjes" and "kretek." The sale of "strootjes," a cigarette wrapped with straw instead of paper, has diminished steadily as prices of factory-made cigarettes have been reduced. "Kretek" cigarettes are made with tobacco and cloves, and since efforts to make them by machinery have proved successful, sales have shown substantial increases, particularly in Java, Southeast Borneo, and South Celebes.

CIGARETTES AS A SOURCE OF REVENUE

Various steps were taken by the Government to regain the revenue from import duties which was lost as more and more of the country's requirements came from local factories. The most revenue-producing substitute was a tax on the importation of the cigarette papers used by the factories. By the middle of 1932 these charges totalled about \$0.44 per 1,000 cigarettes. Somewhat later a tobacco excise was put into effect on the basis of 20 per cent of the retail price. Since this excise applied on the amount already paid in import duties, the total assessment on cigarette papers could be taken roughly at \$0.55 per 1,000.

Simultaneously, the import duty on finished cigarettes was being increased until it amounted to \$1.50 per kilo, or approximately 1,000 pieces. At this level the local industry could compete effectively with cheaper foreign makes. Competition now came from native-made products in which paper was not used. The continuance of the depression reduced the buying power of the mass of the people to such an extent that the difference in price between cheap factory-made cigarettes and the still cheaper native cigarettes was of considerable importance. The scarcity of money forced manufacturers to pack fewer cigarettes per package, with a consequent increase in packing costs. At the beginning of 1932 only 9½ per cent of the cigarettes sold were in 2-cent packages and 37 per cent were in packages valued at 5 cents or more. By the end of the year 42 per cent of the cigarettes sold were in packages of ten retailing at 2 cents per package. As the 2 cents includes an excise tax of 20 per cent, an import duty on ingredients of 0.44 cent, in addition to the retailer's and distributor's profit, there was little profit for the manufacturer.

The situation became so serious that the Government was obliged to intervene to save the industry, and an ordinance was passed to control the retail price at which various cigarettes could be sold. An idea of the importance of the industry may be obtained from the following table:—

*Statistics Relating to the Tobacco Manufacturing Industry in
Netherlands India, 1934*

Branch of the Industry	Returns of Domestic Tobacco for Producers				No. of Labourers
	Retail Value of Production	Consumption Domestic Tobacco	Wages		
	\$1,000	1,000 Kg.	\$1,000	1,000	
Machine-made cigarettes.. . . .	15,330	2,655	280	393	4
Hand-made cigarettes.. . . .	833	400	80	133	8
“Strootjes” industry	9,200	4,800	933	2,000	90
Cigar industry.. . . .	2,120	1,500	120	333	12
Packed hampered tobacco	333	250	30	33	1
Total	27,793	9,605	1,443	2,893	115

SOURCE OF RAW MATERIALS

TOBACCO

The tobacco used in machine-made domestic cigarettes is of mixed origin. Netherlands India is a large grower and exporter of tobacco, and a portion of the supplies is therefore obtained within the country. The estate cultivation of tobacco is centred in three regions, the East Coast of Sumatra, Mid-Java, and East Java. The Sumatra leaf is important to the cigar industry as the best wrapper leaf obtainable. Varying percentages of local tobaccos are used in the cigarettes manufactured here.

Generally speaking, the cheaper the cigarette the larger the proportion of local tobacco; the native hand-made cigarettes are entirely made of it. For the better grades a percentage of Virginia tobacco is employed. The steady decline in the imports of Virginia tobacco is due to the trend towards cheaper brands, and also to the development of local Virginia cultivation. Imports of sheet tobacco in 1934 amounted to 1,434 tons (\$497,000) compared with 4,834 tons (\$2,702,000) in 1932. The United States is the principal supplier, obtaining 82 per cent of the business in 1934 (1,176 tons). China, Hongkong, Holland, and British Malaya were other sources of supply.

Local Virginia Production.—The local Virginia tobacco industry is of recent origin, and owes much to the efforts of the British-American Tobacco Company (Java) Ltd. Cultivation is at present confined to East Java, where over 4,000 natives are employed in the growing and handling of the crop, which yields about \$20 per acre under favourable conditions. In 1930 there were 582 acres planted with Virginia tobacco compared with 3,276 in 1935, the yield of which is estimated at 1,540,000 pounds of dried leaf.

Prospects for Canadian Leaf.—The prospects for Canadian tobacco are not favourable, the tendency being towards larger percentages of locally grown tobaccos. The really important producers of machine-made cigarettes are nearly all under the control of the British-American Tobacco Company (Java) Ltd., or the Faroka interests. The former organization has its head office in London, and the latter in Belgium. Both do their purchasing through their head offices, which should be approached by any one interested in marketing tobacco in Netherlands India.

Import Duties.—The duties on imported tobaccos are as follows:—

- (1) Unprocessed tobaccos (in sheets, fresh or dried), whether or not stripped, unprocessed tobacco stem \$12 per 100 kg.
- (2) Snuff, cut and other, manufactured tobacco, as well as pressed and cut tobacco stem 18 per 100 kg.

CIGARETTE PAPERS

Apart from one relatively unimportant factory, the machine-made cigarette industry in Netherlands India is controlled by the two interests previously mentioned. The tax on cigarette papers in bobbins, which is the form taken by the mechanized plants, is so high that only the larger makers can afford to use it, and these makers, as previously mentioned, do all their buying through their European head offices.

There are many Chinese and native factories, particularly in Mid-Java, which use a thin white manifold bank post about 26 grams per square metre, generally burning a white ash. Newsprint has also been used for this purpose and, while both bank post and newsprint produce an inferior cigarette, the price is sufficiently below the cigarettes made of regulation papers to ensure them a ready sale.

Import Duties and the Competitive Position.—Both the bank post and newsprint are imported on the usual basis of 18 per cent ad valorem, while ordinary cigarette papers are dutiable on the basis of \$0.20 per square metre. Chinese and native competition with papers imported under the low import duties naturally affects the better-class industries where the ordinary papers are used—in fact, it is probable that the Chinese and native factories obtain the bulk of their profits in this way.

It has not been found possible to charge the natives the same import duty rates on the paper they use for cigarettes as is charged the large manufacturers, because the paper they get is not primarily cigarette paper, and they obtain it from the larger importers who bring it in ostensibly for other purposes. A bank post suitable for cigarette paper purposes is also made locally, and is bought in good quantities by the native and Chinese factories. Considerable tonnage of newsprint from Canada has been bought for this purpose. There would be no point in manufacturers trying to enter the market with papers that might be considered suitable because, if they are brought in solely for the manufacture of cigarettes, they are taxed the full rate.

CIGARETTE BOXES

For the manufacture of cigarette boxes, the two larger interests obtain their supplies through their head offices. The stock is bought in rolls and it is printed and fabricated on the premises. The other users buy in sheets from the large importers. Probably less than 10 per cent of the duplex carton imported is taken by the cigarette industry, the big outlets being tea, salt, etc.

Specifications and Prices.—The specifications and prices on duplex carton for cigarette packing are as follows:—

First Quality.—70 by 100 cm. 80½ kilos per 500 sheets. Wood-free top. White underside. Price, £17 per metric ton c.i.f.

Second Quality.—80 by 120 cm. 120 kilos per 500 sheets. Wood-free top. Grey underside. Price, £15 to £16 per metric ton c.i.f.

The duty on duplex carton is 18 per cent ad valorem, and applies to all sources of origin.

A sample of the first-quality duplex carton is on file with the Department of Trade and Commerce, Ottawa, and interested Canadian manufacturers are at liberty to examine this if interested in submitting quotations. All prices should be on a c.i.f. basis and should be per metric ton.

LARGER CONTAINERS

There is also a market for the larger containers used in shipping packaged cigarettes, the net contents of a case being about 90 pounds. Although trial

orders have been secured for Canadian box shooks for this purpose, permanent business has never resulted for a number of reasons. The chief of these is the competition from local manufacturers. Specifications on the most common sizes are as follows (lumber to be 0.166 inch thick): 25 by 23 $\frac{5}{8}$ by 13 $\frac{7}{8}$ inches; 30 by 21 $\frac{1}{8}$ by 12 $\frac{3}{4}$ inches (inside dimensions).

For such a container local factories quote 53 cents Canadian per case delivered. If Canadian shooks are to be sold in competition with these, they must be delivered to the factory at less than this figure so that, making allowance for a 9 per cent import duty, a c.i.f. price to be attractive must approach 45 cents per case. Users demand a lower price on imported shooks because the same flexibility of stocks is not possible when the supplier is so far away. The fact that specifications are subject to constant change is a further reason why a local source of supply is desirable. The cigarette factories, which are principally located in Java, ship extensively to the Outer Islands, and the freight rates make it desirable that the packing employed be as light in weight as possible.

Experimental Work.—With this in view, a number of experiments have been made with composition containers. So far only corrugated paper containers of double and single wall construction, employing various materials as base, have been tried. Indications to date are that they are not strong enough to withstand the rough handling experienced in the outport districts.

An effort was made to introduce these containers for the transport of rough tobacco, which is much less fragile than cigarettes. This experiment was also a failure as the case was evidently too air-tight to be satisfactory. The experiment covered a shipment of shag tobacco from Java to Borneo. When the parcel arrived it was refused by the consignee because the contents were white with mould, although packages shipped at the same time in wooden boxes arrived in a satisfactory condition.

The explanation appears to be that the container was too air-tight to allow the contents to "breathe." Shag tobacco gives off moisture with every change in temperature, and this moisture must be carried away by circulating air. Although the carton might be satisfactory for trade within the island of Java, the local business is too small to justify makers maintaining two complete sets of stocks. Experiments are being conducted with perforated corrugated containers which may ultimately prove successful.

Any Canadian firms which believe they can offer a composition container that will not meet the objections so far encountered, and which can be offered at competitive prices, should send samples and c.i.f. prices to this office. The local factories are anxious to examine any packing which may save them something in their annual freight bills.

FINISHED CIGARETTES

(One ton equals approximately 1,000,000 cigarettes)

The importation of manufactured cigarettes has fallen from 1,057 tons (\$3,646,000) in 1931 to 193 tons (\$612,000) in 1934. The principal supplier during these years has been the United Kingdom, which is credited with 111 tons (\$325,500) in 1934. Other leading suppliers in the order of importance in 1934 were Singapore, the United States, and Egypt.

It is impossible, due to the high import duties, to bring in cheap cigarettes for the native trade at the present time. All the well-known makes are available in Java, but their outlet is entirely among the Europeans and better-class Chinese and half-castes. Local factory production of better-grade cigarettes is encroaching on this field.

PACKING

It is essential that imported cigarettes come packed in hermetically sealed tins. The most popular container is a cylindrical tin of fifty cigarettes. Cellophane-wrapped packages have been tried, and while more successful than the ordinary cardboard container, if the stocks are kept for any length of time they are certain to deteriorate due to the extreme humidity. Locally made cigarettes can be packed as in Canada, because the dealers can obtain fresh stocks from the manufacturers upon short notice.

DUTIES AND PRICES

The duty on cigarettes in Netherlands India is \$150 per 100 kilos, or approximately \$1.50 per 1,000. Landing and statistical charges amount to about 5 per cent, so that with a c.i.f. price of \$3 per 1,000 the landed cost would approximate \$5.25 per 1,000, or 26½ cents per tin of fifty. Forty cents is the customary retail selling price for the better-class cigarettes in tins, and on this retail price the excise tax of 20 per cent is charged. It may be assumed therefore that the total cost of a tin of fifty cigarettes is 26½ cents, plus 8 cents excise tax = 34½ cents. This leaves a margin of only 5½ cents per tin to provide the importer and the retailer with their profits. It is sometimes possible to get slightly more than 40 cents per tin, but only when the brand has been well established or is well advertised. Interested Canadian firms should only send samples if they can quote a price of \$3 per 1,000 c.i.f. or less. They should also outline their advertising policy and whether or not premium gift plans are included in the prices.

There are a number of large import firms here in a position to do business in Canadian cigarettes provided manufacturers can fulfill requirements. The Batavia office will be pleased to receive inquiries.

NETHERLANDS INDIAN BUDGET, 1936

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, December 18, 1935.—The budget for Netherlands India for 1936, when originally presented, estimated total expenditures (expressed in Canadian equivalents) at \$317,741,679 compared with \$323,865,529 in 1935. Estimated receipts for the same two years were \$290,552,289 and \$298,157,859, thus indicating deficits of \$25,707,670 and \$27,189,390 respectively. On the ordinary service the Government anticipates decreases in the yields from income taxes and coupon taxes, capital taxes, real estate revenues, export duties, match excise, and sugar excise. Increases are expected in the yield from company taxes, ground taxes, beer excise, and from an export duty on estate rubber.

On the whole, the Government expects a more favourable showing from the numerous enterprises in which it is interested, particularly the pawnbroking monopoly and the postal, telegraph, and telephone service, although less favourable results have been budgeted for from the railways and tramways and from the Banka tin mines. The higher estimate of the "company tax" is based on the slight improvement observable in the position of some of the agricultural estates, while that of the beer excise is due to larger sales of the locally manufactured product, and to an anticipated increase in the excise rates.

As originally presented, the budget was expected to show a deficit of \$27,189,390. It was subsequently decided, however, to adopt certain measures which, if successful, should reduce this deficit to about \$15,456,667. Proposed economies are expected to save about \$12,600,000, while additional means of

revenue are anticipated to bring in \$3,333,333. The introduction of a fiscal export duty on estate rubber, a levy upon the products of the petroleum industry destined for inland consumption, and a revision of the wage scales and pension payments are among the proposed changes.

From 1867 to and including 1936 there have been deficits in forty-seven years and surpluses in twenty-three. If the Government's hopes for 1936 are realized, the total accumulated deficit at the end of the year will be \$1,112,667,000. With the redemption schemes now in view, the funded debt at the end of 1936 should amount to \$894,884,167, on which the annual interest payment will total \$36,170,877, which represents an average of 4.04 per cent. At this rate it has been increasingly difficult in recent years to attract investments. High taxation makes it difficult for local enterprises to operate profitably, while reductions in Government salaries and personnel affect the living standards of a large section of the population.

The cost of living and of production tend to increase with higher taxes, so that the export products of the country find it steadily more difficult to compete on international markets.

MANCHURIAN (MANCHUKUO) EXCHANGE LAW

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Tientsin, December 15, 1935.—An advance transcript of the new Manchurian Exchange Law has been published by the *Manchuria Daily News*. This law was originally to have been enforced as from December 10, 1935, but, according to a later newspaper report, its enforcement has been postponed to January 15, 1936, with official promulgation on December 31, 1935. This postponement is due, as stated, to the desire of the Manchurian Government to enforce the law at the same time as the Japanese Exchange Law, referring to the Kwantung Leased Territory, is revised.

The law provides for the prohibition or restriction of the transactions mentioned below:—

- (1) Acquisition or disposal of foreign currencies or foreign exchange.
- (2) Imports of foreign currencies; exports or imports of gold bullion, materials made chiefly of gold bullion or its alloys, foreign silver currencies and silver bullion.
- (3) Remittances to foreign countries.
- (4) Payments within the country on the basis of contracts made abroad.
- (5) Acquisition and disposal of securities and debentures indicated in terms of foreign currencies.

The recently created Central Bank of Manchu is to be given the necessary authority to conduct transactions in foreign exchange. Provision is also made for the appointment of other parties for this same purpose at the discretion of the Government.

Holders of securities and debentures, indicated in terms of foreign currencies, or of gold or silver bullion, will be required by these regulations to dispose of them to the Central Bank or other parties designated by the Government.

Penalties in the form of fines and imprisonment are provided for non-compliance.

In explanation of this law it may be noted that its purpose is twofold—the stabilization and unification of the currency of Manchuria (Manchukuo) and the pegging of the yuan dollar to the Japanese yen at the latter's current value.

TYPES OF CURRENCY IN CIRCULATION

At present several types of currency are in circulation in Manchuria, some of which are relics of past administrations and others of neighbouring countries. Among these latter are Chinese silver (or yuan) dollars, Japanese yen, and banknotes of the Bank of Chosen (Korea). An agreement has been consummated whereby these banknotes will be withdrawn gradually from circulation in Manchuria, the final plan being to have the Manchurian yuan the sole currency in the territory. Exceptions will be the Railway Zone, where business is to be carried on in yen pending the abolition of extraterritoriality and certain areas, heavily populated by Koreans, where Bank of Chosen notes will be allowed to circulate.

RELATION OF THE YUAN TO THE YEN

The desire to peg the value of the yuan to that of the yen has been apparent for some time, due to the close connection between the two countries. In order to make the decree effective in this regard, the Central Bank of Manchu has been given wide powers to control the sale and purchase of foreign exchange and allied transactions, and presumably all such transactions henceforth will have to be conducted through the medium of the Central Bank at rates of exchange based on the current value of the yen. Normally therefore the value of the Manchurian (Manchukuo) yuan may, in the future, be taken as exactly equal to that of the Japanese yen.

MR. LANGLEY'S TOUR OF CANADA

Mr. J. A. Langley, Commercial Secretary in Tokyo, has resumed his tour of the principal industrial centres of Canada in the interests of Canadian trade with Japan, and will visit Winnipeg, January 30 and 31; Edmonton, February 3; Calgary, February 4; Vancouver, February 6 to 19; and Victoria, February 20 and 21.

Firms who wish to be brought in touch with Mr. Langley should communicate for Winnipeg, Edmonton, Vancouver and Victoria with the Canadian Manufacturers Association, and for Calgary with the Board of Trade.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Irish Free State Wheat Regulations

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Minister of Agriculture, under section 6 of the Agricultural Produce (Cereals) Act, 1935, the national percentage of home-grown wheat to be milled by holders of milling licences during the cereal year 1936-37 has been fixed at 33½ per cent, as compared with last year's figure of 25 per cent.

Irish Free State Butter Levies

With reference to the notice in *Commercial Intelligence Journal* No. 1668 (January 18, 1936), page 131, Mr. James Cormack, Canadian Trade Commissioner at Dublin, writes that in consequence of Order No. 7 under the Dairy Produce (Price Stabilization) Act, 1935, non-creamery butter is no longer subject to levy or bounty as from January 1, 1936. Levy on creamery butter is reduced as from January 1, 1936, from 18s. 8d. to 10s. per cwt. The export bounty to creameries has been withdrawn except that creamery butter delivered for sale in the Irish Free State and then exported will receive a bounty of 10s. per cwt. to offset the levy.

Fifty Per Cent Empire Content Required for Ceylon Preference

The Ceylon Government *Gazette* of December 6, 1935, contains a notice dated the previous day, by G. S. Wodeman, Principal Collector of Customs at Colombo, to importers in Ceylon and to exporters in other parts of the British Empire amending a previous notice of January 31, 1933, whereby the proportion of Empire content required for manufactured goods is to be increased as from March 1, 1936, from 25 per cent to 50 per cent, subject to exceptions for cigarettes and cinema films specified in a notice of July 25, 1933. The tariff imposes rates on cigarettes according to the proportion of Empire leaf contained therein, and cinema films are admitted to preferential rates only if wholly produced in an Empire studio and registered as British or Imperial films.

The benefits of the British preferential tariff of Ceylon are applicable to Canadian products. In view of the aforementioned change in the Empire content regulations of Ceylon, Canadian manufacturers who are exporting goods to Ceylon are reminded of the importance of seeing that their shipments contain the prescribed Empire content, and that certificates of origin are furnished declaring the proportion of Empire content in accordance with the new regulations.

Surcharge in St. Kitts-Nevis Continued

An ordinance of the Legislative Council of St. Kitts-Nevis, assented to on December 19, 1935, continues the surcharge of 25 per cent of the import duties paid on all goods subject to duty until December 31, 1936. Under the former ordinance this surcharge was to expire on December 31, 1935.

French Restrictions on Frozen Salmon Removed

With reference to the article in *Commercial Intelligence Journal* No. 1661 (November 30, 1935), page 983, regarding an increase in the French duty on frozen salmon, Mr. Hercule Barré, Commercial Attaché in Paris, advises that the quota restriction to which frozen salmon has been subject has been removed as from January 1, 1936. Consequently, the only restriction now applicable to the import of frozen salmon is the increased import duty of 104 francs per 100 kilos or about \$3.15 per 100 pounds at the current rate of exchange.

Import Licences in Belgium on Automobile Tires and Tubes

With reference to the report in *Commercial Intelligence Journal* No. 1655 (October 19, 1935), page 694, that licences to import tires and tubes into Belgium would be granted to importers without being limited to a definite quantity, Mr. Henri Turcot, Canadian Trade Commissioner at Brussels, writes under date January 13 that the Belgian Ministry of Economic Affairs have decided that these licences will now be distributed on the basis of imports in the first six months of 1935. Only firms having imported during this period will be entitled to licences, and the quantity allotted to an importer during any one month must not exceed his average monthly imports during the basic period.

Marks of Origin on Goods for Haiti

With reference to the notice in *Commercial Intelligence Journal* No. 1660 (November 23, 1935), page 945, stating that the new regulations regarding marks of origin for goods imported into Haiti (see *Commercial Intelligence Journal* No. 1647, August 24, 1935) would become effective on November 27, 1935, Mr. F. W. Fraser, Canadian Trade Commissioner in Jamaica, writes that under a Haitian decree of December 14 the date of the coming into force of these regulations has been extended to March 27, 1936.

SUMMARY OF THE TRADE OF CANADA: MONTH, NINE MONTHS, AND TWELVE MONTHS ENDING DECEMBER, 1935

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of December, 1935				Nine Months ending December, 1935				Twelve Months ending December, 1935			
	Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States	
	\$	\$	\$		\$	\$	\$		\$	\$	\$	
<i>Imports for consumption</i>												
Agricultural and Vegetable Products.....	8,333,618	1,524,406	2,111,256		87,482,356	14,342,340	22,771,746		109,689,841	18,700,832	30,821,816	
Animals and Animal Products.....	1,765,669	297,819	675,081		17,394,385	2,805,966	7,425,111		22,627,544	3,532,387	10,354,326	
Fibres, Textiles and Textile Products.....	7,260,541	2,547,012	3,569,907		63,613,872	29,032,691	22,498,460		85,190,515	39,361,027	30,730,310	
Wood, Wood Products and Paper.....	1,640,883	2,231,341	1,289,253		17,200,810	12,817,054	12,817,054		35,011,182	17,027,106	17,027,106	
Iron and its Products.....	6,084,121	1,014,115	4,701,694		54,819,920	17,649,532	62,703,146		112,136,244	20,407,113	86,473,621	
Non-Ferrous Metals and their Products.....	2,571,321	292,705	1,929,384		25,657,888	4,855,465	13,187,863		33,614,022	6,005,972	23,435,129	
Non-Metallic Minerals and their Products.....	6,503,639	549,418	5,552,055		49,141,479	11,379,782	60,449,569		103,836,841	12,689,984	77,133,365	
Chemicals and Allied Products.....	2,071,215	352,936	1,189,167		23,129,999	5,034,142	13,307,863		29,757,570	6,330,811	17,458,742	
Miscellaneous Commodities.....	2,338,175	432,121	1,440,206		24,518,551	5,048,535	15,263,057		30,999,628	6,145,905	19,655,703	
Total Imports, 1935.....	38,569,182	7,211,873	22,429,293		427,850,296	92,982,552	234,423,949		550,314,551	116,675,713	312,411,118	
Total Imports, 1934.....	39,107,248	7,333,901	24,080,478		394,966,898	87,989,329	225,652,803		513,499,497	113,415,984	293,779,813	
Total Imports, 1933.....	35,367,553	8,346,424	20,075,814		320,296,026	79,674,109	170,060,671		401,214,311	97,578,232	217,291,498	
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	22,982,903	14,842,945	4,793,009		190,565,041	123,013,331	35,895,473		229,821,600	146,240,022	42,542,840	
Animals and Animal Products.....	8,292,857	3,950,992	2,861,553		71,283,441	39,833,050	22,055,617		97,219,416	54,965,503	29,549,282	
Fibres, Textiles and Textile Products.....	17,628,668	2,110,073	101,817		17,779,127	1,932,556	2,010,022		9,640,280	2,468,082	2,239,752	
Wood, Wood Products and Paper.....	17,666,343	2,683,073	12,340,314		139,464,105	22,994,752	95,646,655		175,870,831	27,662,576	120,759,277	
Iron and its Products.....	4,237,587	771,672	598,993		38,364,893	7,899,377	4,107,680		50,027,165	11,297,451	4,781,052	
Non-Ferrous Metals and their Products.....	10,762,899	3,716,886	4,133,148		97,064,457	43,606,218	31,712,088		119,958,494	52,762,047	39,794,164	
Non-Metallic Minerals and their Products.....	2,012,920	184,404	1,119,803		14,686,824	1,539,982	8,704,081		17,899,595	2,093,311	11,024,151	
Chemicals and Allied Products.....	1,416,895	315,310	636,838		11,506,778	2,390,321	5,078,282		16,372,476	3,022,098	7,983,454	
Miscellaneous Commodities.....	940,861	83,312	702,414		9,869,307	2,343,578	5,746,700		12,453,073	2,995,452	7,301,030	
Totals, 1935.....	68,419,223	26,658,667	27,347,889		580,573,973	245,853,165	210,956,598		729,293,880	303,501,542	265,975,002	
Totals, 1934.....	61,275,223	20,298,460	29,290,091		511,180,087	216,534,366	169,679,519		653,312,228	270,491,587	222,588,093	
Totals, 1933.....	50,928,856	20,491,764	17,588,332		437,211,004	173,643,914	141,534,565		531,749,179	210,697,904	170,541,810	
<i>Exports (Foreign Produce)</i>												
Totals, 1935.....	2,145,279	67,608	2,000,967		10,701,396	646,958	9,491,448		13,058,945	817,322	11,534,757	
Totals, 1934.....	545,216	45,215	530,414		5,301,414	653,022	4,140,878		7,015,792	877,798	5,449,986	
Totals, 1933.....	695,563	72,568	542,616		4,596,946	475,924	3,598,685		6,034,260	616,706	4,712,124	
<i>Excess of Imports (i) or All Exports (e)</i>												
Totals, 1935.....	(e) 31,995,320	(e) 19,514,402	(e) 6,919,563		(e) 163,425,073	(e) 153,517,571	(i) 13,975,003		(e) 192,038,274	(e) 187,643,151	(i) 34,901,359	
Totals, 1934.....	(e) 22,713,191	(e) 13,009,774	(e) 5,654,123		(e) 116,514,603	(e) 129,198,053	(i) 51,832,406		(e) 146,858,523	(e) 157,953,671	(i) 65,741,734	
Totals, 1933.....	(e) 16,256,866	(e) 12,218,908	(i) 1,944,866		(e) 121,511,924	(e) 94,445,729	(i) 24,927,421		(e) 136,569,128	(e) 113,436,378	(i) 42,037,564	

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JANUARY 27

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending January 27, 1936, with the official bank rate. Quotations for the week ending January 20, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 20	Nominal Quotations in Montreal Week ending Jan. 27	Official Bank Rate
Austria	Schilling	.1407	\$.1878	\$.1885	3½
Belgium	Belga	.1001	.1691	.1701	2
Bulgaria	Lev	.0072	.0134	.0136	6
Czechoslovakia	Krone	.0296	.0416	.0417	3
Denmark	Krone	.2680	.2208	.2225	3½
Finland	Markka	.0252	.0218	.0220	4
France	Franc	.0392	.0659	.0665	4
Germany	Reichsmark	.2382	.4030	.4054	4
Great Britain	Pound	4.8666	4.9500	4.9862	2
Greece	Drachma	.0130	.0094	.0095	7
Holland	Guilder	.4020	.6794	.6841	3
Hungary	Pengo	.1749	.2966	.2970	4
Italy	Lira	.0526	.0802 Nom.	.0801	5
Jugo-Slavia	Dinar	.0176	.0229	.0231	5
Norway	Krone	.2680	.2486	.2505	3½
Portugal	Escudo	.0442	.0450	.0452	5
Roumania	Leu	.0060	.0079	.0080	4½
Spain	Peseta	.1930	.1367	.1378	5
Sweden	Krona	.2680	.2551	.2569	2½
Switzerland	Franc	.1930	.3260	.3276	2½
United States	Dollar	1.0000	1.0000	.9962	1½
Poland	Zloty	.1122	.1889	.1898	5
Argentina	Peso (Paper)	.4245	.3300	.3321	—
Brazil	Milreis (Paper)	.1196	.0841	.0841	—
Chile	Peso	.1217	.0510	.0508	4½
Colombia	Peso	.9733	.5723	.5741	4
Mexico	Peso	.4985	.2777	.2767	4-5
Peru	Sol	.2800	.2487	.2478	6
Venezuela	Bolivar	.1930	.2560	.2550	—
Uruguay	Peso	1.0342	.7988	.7983	—
China (Shanghai)	Dollar	.....	.2960	.2967	—
Cuba	Peso	1.0000	.9992	.9955	—
Hongkong	Dollar	.....	.3216	.3266	—
India	Rupee	.3650	.3736	.3762	3
Japan	Yen	.4985	.2900	.2912	3.65
Java	Guilder	.4020	.6812	.6874	4
Siam	Baht (Tical)	.4424	.4536	.4572	—
Straits Settlements	Dollar	.5678	.5791	.5828	—
South Africa	Pound	4.8666	4.9437	4.9800	—
British Guiana	Dollar	1.0138	1.0312	1.0387	—
Jamaica	Pound	4.8666	4.9625	4.9975	—
Other British West Indies	Dollar	1.0138	1.0312	1.0387	—
Martinique	Franc	.0392	.0659	.0665	—
Guadeloupe	Franc	.0392	.0659	.0665	—
Australia	Pound	4.8666	3.9600	3.9887	—
Egypt	Pound (100 Piastres)	4.9431	5.0700	5.1100	—
New Zealand	Pound	4.8666	3.9925	4.0212	—
Argentina	Free	Free	.2715	.2750	—
Brazil	Free	Free	.0553	.0553	—
Chile	Free	Free	.0410	.0408	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Foreign exchange markets were disturbed recently by the passing of soldier bonus legislation in the United States Congress and Senate and by the fall of the Laval Ministry in France. This latter event is not held likely to endanger seriously the position of the franc, however, since no party of importance in the French Chamber is on record as in favour of devaluation. Rumours of further devaluation in the United States have been revived by the overriding of the Presidential veto given to the bonus bill. It has been officially denied, however, that any change in monetary policy is contemplated. The £ sterling advanced at Montreal from \$4.9550 to \$4.9837 for the week ended January 25, while the United States dollar fell from par to a discount of 0.43 per cent.

FOREIGN EXCHANGE QUOTATIONS: ERRATA

Owing to a transposition of lines in the type, the exchange rates published in last week's issue of the *Commercial Intelligence Journal* respecting Norway and Poland, and China (Shanghai) and Java, were incorrectly quoted. The following are the correct figures:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 13	Nominal Quotations in Montreal Week ending Jan. 20	Official Bank Rate
Poland	Zloty	.1122	.1899	.1889	5
Norway	Krone	.2680	.2500	.2486	3½
Java	Guilder	.4020	.6846	.6812	4
China (Shanghai)	Dollar	.....	.2977	.2960	—

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Saint John, N.B.	Chatham, Ont.	St. Boniface, Man.
Halifax, N.S.	Stratford, Ont.	Winnipeg, Man.
Quebec, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Montreal, P.Q.	St. Mary's, Ont.	New Westminster, B.C.
Toronto, Ont.	Portage la Prairie, Man.	
Secretary, Chamber of Commerce—		
Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.
Border Chamber of Commerce, Windsor, Ont.		
Department of Industry, Brantford, Ont.		
Industrial Commissioner, Stratford, Ont.		
La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.		
Secretary, Canadian Manufacturers' Association—		
Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.
The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.		
The Bureau of Provincial Information, Victoria, B.C.		

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Macaroni	66	Batavia, Java	Purchase and Agency.
Eggs, Powdered or Otherwise Processed	67	Singapore, Straits Settlements.	Agency.
Miscellaneous—			
Motorcycle Gauntlet Gloves	68	Bristol, England	Agency.
Rubber Belting	69	Soerabaia, Java	Purchase and Agency.
Box Shooks (for Export to Mexico)	70	New York, U.S.A.	Purchase.
Cardboard	71	Dublin, Irish Free State	Purchase.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To *Liverpool*.—Montclare, Feb. 8; Duchess of Atholl, Feb. 15; Montcalm, Feb. 22; Duchess of Bedford, Feb. 29—all Canadian Pacific; Andania, Feb. 9; Antonia, Feb. 23—both Cunard-White Star Line; Incemore, Furness Line, Feb. 18; Manchester Exporter, Manchester Line, Feb. 21; Winona County, Oriole Line, Feb. 27.

To London.—Beaverbrae, Feb. 7; Beaverford, Feb. 14; Beaverhill, Feb. 21; Beaverdale, Feb. 28; Beaverburn, March 6—all Canadian Pacific; Ascania, Feb. 15; Aurania, Feb. 22; Ausonia, Feb. 29—all Cunard-White Star Line; McKeesport, Feb. 17; Liberty, March 3—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Citizen, Feb. 8; Manchester Brigade, Feb. 15; Manchester Exporter, Feb. 21; Manchester Producer, Feb. 29—all Manchester Line; Winona County, Oriole Line, Feb. 27.

To Aberdeen, Newcastle and Hull.—Gitano, Ellerman's Wilson Line, Feb. 18.

To Cardiff, Bristol and Swansea.—New York City, Feb. 8; Bristol City, March 3—both Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnesk, Feb. 10; Cairnglen, Feb. 24—both Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Cunard-Donaldson and Dominion Lines, Feb. 17.

To Glasgow.—Sulairia, Feb. 3; Norwegian, Feb. 17; Airthria, March 2—all Donaldson-Atlantic Line.

To Antwerp.—Beaverbrae, Feb. 7; Beaverhill, Feb. 21; Beaverburn, March 6—all Canadian Pacific.

To Hamburg.—McKeesport, Feb. 17; Liberty, March 3—both American Hampton Roads (call at Hull and Leith); Beaverdale, Canadian Pacific, Feb. 28.

To Copenhagen, Gothenburg and Baltic Ports.—Ragnhildsholm, Feb. 17; Blankaholm, March 9—both Swedish-America-Mexico Line; Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, Feb. 16.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Furness-Red Cross Line, Feb. 3; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Feb. 5; Belle Isle, Newfoundland-Canada SS. Co., Feb. 10; Incemore (does not call at St. Pierre), Furness Line, Feb. 18.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Feb. 13; Lady Nelson, Feb. 27; Lady Hawkins, March 12—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Feb. 17 and March 9.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, Feb. 6; Lady Rodney, Feb. 20—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, Feb. 12; Ba, Feb. 26—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Feb. 22; Chomedy, March 7—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston (Jamaica) and Port au Prince (Haiti).—Catheart, Feb. 12; Cavalier (does not call at Port au Prince), Feb. 27—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Siamese Prince, Feb. 14; Silverteak, Feb. 28; Cingalese Prince, March 20—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Challenger, Canadian National, Feb. 28.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Victor, Canadian National, Feb. 28.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, February.

From Saint John

To Liverpool.—Montelare, Feb. 7; Duchess of Atholl, Feb. 14; Montcalm, Feb. 21; Duchess of Bedford, Feb. 28—all Canadian Pacific.

To London.—Beaverbrae, Feb. 6; Beaverford, Feb. 13; Beaverhill, Feb. 20; Beaverdale, Feb. 27; Beaverburn, March 5—all Canadian Pacific.

To Manchester.—Manchester Citizen, Feb. 6; Manchester Brigade, Feb. 13; Manchester Exporter, Feb. 19; Manchester Producer, Feb. 27—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Donaldson and Dominion Lines, Feb. 15.

To Glasgow.—Norwegian, Feb. 15; Airthria, Feb. 29—both Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk, Feb. 8; Cairnglen (calls at Dundee), Feb. 22—both Cairn-Thomson Line.

To Dublin and Belfast.—Melmore Head, Feb. 13; Dunaff Head, Feb. 25—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—A steamer, Canada-Mediterraneo Line, February.

To Antwerp and Havre.—Beaverbrae, Feb. 6; Beaverhill, Feb. 20; Beaverburn, March 5—all Canadian Pacific (do not call at Havre); Brant County (calls at Rotterdam), County Line, Feb. 12.

To Hamburg.—Beaverdale, Canadian Pacific, Feb. 27.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Feb. 7; Lady Nelson, Feb. 19; Lady Hawkins, March 4—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Feb. 12 and March 3.

To Kingston and Jamaican Outports.—San Benito, United Fruit Line, Feb. 5.

To Manila, Hongkong, Shanghai and Dalny.—City of Singapore, Canada-Far East Line, Feb. 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—Grange Park, Feb. 10; Kalimba (does not call at Beira), Feb. 18—both Elder-Dempster Line.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Birmingham, Canada-India Service, Feb. 13.

To Montevideo and Buenos Aires.—Gausdal (does not call at Montevideo), International Freightling Corp., Feb. 10; Nordkap, Canada-South America Line, Feb. 26.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, Feb. 15; Hikawa Maru, Feb. 29; Hiye Maru, March 14—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), Feb. 8; Empress of Asia (calls Nagasaki), Feb. 22; Empress of Canada (calls Honolulu), March 7—all Canadian Pacific; Talthybius (calls at Milke but not at Manila), Blue Funnel Line, March 8.

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—A steamer, Feb. 29; Kota Agoeng, March 31—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Niagara, Canadian-Australasian Line, Feb. 26.

To Auckland, Wellington, Melbourne and Sydney.—Golden Coast, Feb. 13; Golden Bear, March 14—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Wairuna, Feb. 6; Limerick, March 4—both Canadian-Australasian Line (call at Apia and New Plymouth).

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Roxen, Empire Shipping Co., Feb. 15.

To London, Liverpool and Rotterdam.—Delftdyk (calls at Glasgow), Feb. 8; Nebraska, Feb. 22; Lochmonar (calls at Glasgow), March 7—all Holland-America Line (call at Southampton if inducements offer).

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, Feb. 17; India (does not call at Kingston), March 11—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Wisconsin, Feb. 5; San Jose, Feb. 24—both Empire Shipping Co.

To Scandinavian Ports.—A steamer, Johnson Line, February.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, Feb. 22; Fella, March 23—both Empire Shipping Co.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Harpalion, Canadian Transport Co., Feb. 18.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverbelle, Feb. 5; Tabian, March 9—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Leikanger, Feb. 17; Hardanger, March 17—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Lochkatrine, Feb. 5; Delftdyk, Feb. 7—both Royal Mail Lines (call at Southampton and Rotterdam); Gregalia (calls at Glasgow), Balfour Guthrie & Co., Feb. 7; Pacific Ranger (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., Feb. 11; Gothic Star (calls at Glasgow, Newcastle and Rotterdam), American Mail Line Ltd., Feb. 15; Ensley City (calls at Avonmouth), B. W. Greer & Son Ltd., Feb. 18.

To Glasgow, Belfast and Manchester.—Nyhorn, Canada Shipping Co., Feb. 3.

To United Kingdom Ports.—Ethel Radcliffe, Feb. 5; Chris Knudsen, Feb. 14; Mount Atlas, Feb. 17—all Anglo-Canadian Shipping Co.; Geo. M. Embricos, Canadian Transport Co., Feb. 15.

To Shanghai.—Nordbard, Ocean Shipping Co., Feb. 8.

To Japanese Ports.—Denmark Maru, Yamashita Shipping Co., Feb. 10.

To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.—Roxen, Empire Shipping Co., Feb. 10.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

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J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian.* (See also Netherlands India.)

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

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Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

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YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

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HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

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India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

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Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: RICHARD GREW, Trade Commissioner. Address for letters—P.O. Box 230, Kobe Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Beursplein 26B, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

ACTING TRADE COMMISSIONER, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, February 8, 1936

No. 1671

CANADA, 1936

The Dominion Bureau of Statistics announces the publication of the 1936 edition of the Official Handbook of Canada.

The Handbook describes the present economic condition of the Dominion in nineteen chapters, dealing with all phases of the country's economic organization, and statistics are brought up to the latest possible moment. The text is accompanied by a wealth of pertinent illustrative matter, which adds to the interest of the subjects treated. Preceding the frontispiece are five pages of matter in photogravure, bearing on the Vimy Memorial which is to be officially unveiled on July 26, 1936; the frontispiece itself is a reproduction of an excellent photograph of the Governor General, the Lord Tweedsmuir, and carries a message from His Excellency to the people of Canada. In an appendix are given the recently published official figures of the voters on the lists and the votes polled, along with the names and addresses of all Members of the House of Commons elected at the Eighteenth General Election, October 14, 1935.

The text and page illustrations are printed in tone and there is a folded lithographed insert showing the "Ten Greater Cities of Canada" and their satellite communities.

The price of the publication is 25 cents per copy, which charge covers merely the cost of paper and actual press work. A special price concession has been authorized in the case of teachers, *bona fide* students, and ministers of religion, since past experience has shown that considerable use has been made of this publication for educational purposes, and it is the policy of the Minister to encourage such use. To such individuals, therefore, the price is set at 10 cents for one copy. Postage stamps are not acceptable, and applications must be accompanied by a postal note or by the appropriate coin enclosed between two squares of thin cardboard gummed together at the edges. Applications should be addressed to the King's Printer, Government Printing Bureau, Ottawa, Canada, and since the supply is strictly limited for both the 25-cent and 10-cent classes, early application is suggested.

REVIEW OF CONDITIONS IN THE UNITED KINGDOM IN 1935

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

II

Overseas Trade in 1935

London, January 18, 1936.—The improvement in British overseas trade to which reference was made in Part I of this report, published in last week's issue of the *Commercial Intelligence Journal*, is clearly indicated by the official returns, which show that, in spite of unfavourable international trading conditions, there was an uninterrupted period of revival in 1935, during which British foreign trade emerged as one of the major indications of recovery. The following table shows the value of the country's external transactions during 1935, under the headings of imports, British exports, and re-exports, as compared with the two previous years:—

	1933	1934	1935
Imports	£ 675,016,119	£ 731,413,783	£ 756,936,175
Exports (British) ..	367,909,052	395,985,521	425,921,343
Re-exports	49,080,727	51,243,347	55,265,376
	<hr/> £1,092,005,898	<hr/> £1,178,642,651	<hr/> £1,238,122,894

The increase in the total turnover of trade was 5 per cent over the 1934 returns, and 13 per cent over 1933. The expansion was common to both imports and exports.

Imports in 1935 were 3·4 per cent greater than in 1934, and 12 per cent above 1933. The recovery in British exports was much more marked, the percentage increases, as compared with 1934 and 1933, being 7·5 per cent and 16 per cent respectively.

The increase in sales of British produce abroad is particularly satisfactory because it was achieved in the face of the most unfavourable trading conditions. It must be remembered that before the War the United Kingdom's export trade was financed to an important degree by loans to overseas countries for development purposes. This state of affairs has now practically ceased. Debtor countries are no longer able to borrow freely in order to pay for their overseas purchases. They are able to acquire sterling balances only to the extent of their capacity to sell their products in the markets of the world.

Partly due to these circumstances, countries which at one time provided lucrative fields for United Kingdom manufactured goods have been compelled to resort to various expedients in the shape of high tariffs, customs restrictions, quota controls, and currency regulations, with the object of reducing their importations to the minimum and maintaining a solvent position.

It is not surprising therefore to find that the steady advance in United Kingdom export trade in 1935 is due to bigger business with British countries where special preferences are conceded to the products of the Mother Country, and to the fuller exploitation of the trade agreements concluded during the past few years with a number of foreign countries, chiefly those belonging to the so-called "sterling group."

BALANCE OF TRADE

Imports showed less buoyancy than exports, considered over the whole year. An important effect of this tendency was an appreciable narrowing of the excess of imports over exports, from £284,185,000 in 1934 to £275,749,000 in 1935. It is generally anticipated from these indications that the United Kingdom will emerge from the 1935 trading year with a true credit balance.

In 1934 the official estimate, after offsetting against the deficiency in exports of merchandise the various "invisible" exports of the United Kingdom, consisting mainly of income from overseas investments, shipping earnings, tourist traffic,

and banking, insurance and trade commissions, revealed a slight shortage amounting to about £1,000,000 on the debit side. In 1933 there was also an apparent state of equilibrium in the trading accounts. If present hopes are realized, and this country is, in fact, in command of a definite surplus as the result of the year's operations, and assuming that the tendency is maintained, the time will be approaching when it will be possible for the United Kingdom to resume her former rôle as a provider of capital to other nations.

In the meanwhile, investigations which have been made by financial authorities disclose that the credit balance accruing in 1935 is probably being devoted chiefly to the acquisition from American holders of funds invested in English undertakings, and to the direct purchase by British investors of United States securities which have attracted greater attention owing to the improved prospects in that country and the weight of money available here for which profitable employment is sought.

The immediate international trading position of Great Britain is consequently fairly sound; but while the volume of her overseas commerce is rising, it should not be forgotten that, according to reliable computations, whereas in the period 1924-25 25 per cent of the total production of all commodities was destined for export, this proportion has fallen to approximately 16½ per cent. These substantial losses must be made good before a normal situation can be restored.

IMPORTS

During the first nine months of the year a certain amount of apprehension was expressed in some quarters due to the comparative stagnation of import trade, and more especially of imports of raw materials. It will be remembered that 1934 was marked by a definite expansion in raw material imports. This was the essential preliminary to the industrial revival of 1935, and the failure of import trade to rise last spring and summer in harmony with the development of general activity was construed as a signal of a coming industrial setback. Fortunately, however, imports of raw materials began to move upwards more sharply in the final quarter of 1935, while special causes were operating in the earlier months which, in view of the importance of the matter, deserve some comment.

In the first place, it is accepted that a substantial part of the increase in purchases from abroad during 1934 represented the restoration of stocks resulting from the change in the economic outlook and the return of confidence. Production is greater than it was a year ago, but stocks which had been allowed to sink to a low level during the depression have now been largely rebuilt. There is some justification therefore for a falling off in imports, which it is felt need not in the circumstances be taken too seriously.

Actually, imports of raw materials in 1935 were £211,758,393, the corresponding total in 1934 being £209,506,186. The increase therefore amounted only to 1 per cent. As might be expected from the static position in the raw material import trade, there are few changes of importance throughout the list. There was, however, an increase of £4,518,101 in oils, fats, rosins, etc., while offsetting this consignment of wood and timber declined by £3,933,022.

Under the heading of "food, drink, and tobacco" imports expanded by £9,367,703. Beverages and cocoa preparations fell by £1,473,771 and meat by £3,722,728. On the other hand, dairy produce advanced by £5,564,496 and fresh fruit and vegetables by £4,508,279. This tendency of meat imports to fall coincidentally with a rise in dairy products and fruit imports is worthy of special note, because it confirms a belief which has been current for some time that consumers in the United Kingdom are varying their diet to the extent that they are eating less meat and more fruit and dairy products.

Imports of manufactured goods in 1935, at £185,131,491, were £13,765,455 higher than in the previous year. Nearly half of this growth—namely,

£5,933,526—was contributed by “non-ferrous metals and manufactures” and is related to greater requirements for armament purposes. Machinery provided the next largest increase, £1,912,332. It is generally understood, however, that the bulk of this would be represented by machinery of a class or kind not manufactured in the United Kingdom, imported free of duty under Board of Trade licence. Apart from these changes the list of imports is comparatively featureless.

EXPORTS

With regard to British exports, general and complete satisfaction has been evoked by the remarkable strength of this branch of trade. The aggregate value was £425,921,343 against £395,985,521 in 1934. Of this advance of £29,935,822, fully manufactured goods are responsible for £24,096,349. Of the twenty categories into which exports of manufactured commodities are divided, only two showed a decrease last year. The principal gains, compared with 1934, were: machinery (£5,689,109); vehicles, including locomotives, ships, and aircraft (£4,189,973); non-ferrous metals and manufactures (£2,195,669); iron and steel and manufactures (£2,001,189); woollens (£1,530,597); and electrical goods (£1,512,093). Even the cotton industry experienced a wider market overseas, the year's shipments, valued at £60,177,625, being £1,081,936 more than in 1934.

Exports of raw materials last year were £52,798,804, a rise of £4,541,096. Raw wool accounted for nearly half of this increase, the exact figure being £2,194,804. Otherwise, the only noteworthy point was the failure of coal exports to respond to the general upward stimulus. Actually, coal exports suffered a reduction of £295,924 on the year. In this connection, however, it should be remembered that the Italian market, which ordinarily absorbs large quantities of British coal, was closed to United Kingdom shippers during the final months of the year.

IMPORTS, EXPORTS, AND RE-EXPORTS

The following tabulation sets forth the import, export and re-export trade of the United Kingdom in 1933, 1934 and 1935, under the main divisions into which it is classified.

TABLE OF IMPORTS, EXPORTS, AND RE-EXPORTS, ACCORDING TO THE BOARD OF TRADE CLASSIFICATION, DURING THE CALENDAR YEARS 1933, 1934, AND 1935

(a) Imports

	1933	1934	1935
Food, drink and tobacco	£339,833,569	£346,588,481	£355,956,184
Raw materials and articles mainly unmanufactured ..	180,398,136	209,506,186	211,758,393
Articles wholly or mainly manufactured	150,963,595	171,366,036	185,131,491
Animals, not for food	757,719	1,457,270	1,645,631
Parcel post	3,063,100	2,495,810	2,444,476
Total	£675,016,119	£731,413,783	£756,936,175

(b) Exports of Produce and Manufactures of the United Kingdom

	1933	1934	1935
Food, drink and tobacco	£ 27,764,156	£ 30,454,050	£ 31,637,532
Raw materials and articles mainly unmanufactured ..	45,987,087	48,257,708	52,798,804
Articles wholly or mainly manufactured	281,696,667	304,840,835	328,937,184
Animals, not for food	489,285	628,615	673,439
Parcel post	11,971,857	11,804,313	11,874,384
Total	£367,909,052	£395,985,521	£425,921,343

(c) Exports of Foreign and Colonial Merchandise

	1933	1934	1935
Food, drink and tobacco	£ 12,099,638	£ 12,637,622	£ 12,565,230
Raw materials and articles mainly unmanufactured ..	25,631,430	27,673,403	28,913,555
Articles wholly or mainly manufactured	11,117,710	10,625,522	13,503,499
Animals, not for food	231,949	306,800	283,092
Total	£ 49,080,727	£ 51,243,347	£ 55,265,376

AGRICULTURAL SITUATION IN ENGLAND AND WALES IN 1935

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

CROPS

London, January 11, 1936.—In the sphere of agriculture, although some progress was made in the year 1935, the hopes entertained for a large measure of recovery in England and Wales were not fulfilled from the point of view of either the livestock or the crop farmer. Among others, the weather was a hindering factor and as a result field crops were lighter. The barley crop was especially disappointing, prices were inadequate and the market was poor. As a result the National Farmers' Union have sought an increase in the rate of duty on imported barley. The area under barley was 68,949 acres less than in 1934, a decrease of 8 per cent, and the total production fell by 71,000 tons to 656,000, or 9·8 per cent. There was an improvement in the yield of oats, and as there was also an increase of 16,644 acres in the area under the crop, the total estimated production in 1935 was larger by 22,000 tons than in 1934.

The Agricultural Returns for England and Wales show that, although the area under wheat in England and Wales in 1935 was slightly greater than in the previous year, the total production was 125,000 tons less. The area under wheat last year was 1,772,284 acres—0·7 per cent more than in 1934—and the estimated yield per acre over the whole country was 18·3 cwt. compared with 19·9 cwt. in the previous year. The total production is estimated to be 1,623,000 tons.

The yield of most corn and root crops was lower than in the previous year, but weather conditions were more favourable for seeds hay and permanent grass, which gave larger yields per acre than in either of the two preceding years. There were 3,079 acres less under mixed corn, and the estimated average yield of 15·3 cwt. an acre was 0·7 per cent below that of 1934; the total production fell to 71,000 tons, a decline of 7·8 per cent.

The estimated total production of oats was greater by 2 per cent than in 1934, but lower figures were recorded for all other corn and root crops. The decreases were: wheat, 7·2 per cent; barley, 9·8; potatoes, 15·1; turnips and swedes, 1·4; and mangolds, 3·5 per cent. Seeds hay and meadow hay both showed appreciable increases. The estimated yields of the corn crops were higher than the average yields for the past ten years, but of the root and hay crops meadow hay alone showed a yield higher than the ten years' average.

Exceptionally good weather was experienced during the hay-making season, and the hay crop was secured in excellent condition. The quality of the crop was good and the yield of average weight.

The area under potatoes, which declined in 1934, showed a further decrease of 24,762 acres from 487,558 acres in 1934 to 462,796 acres. The yield was also smaller and this, combined with the lower acreage, was responsible for a loss in total production compared with 1934 of 520,000 tons.

The area under sugar beet was 366,700 acres, or 29,648 acres less than in 1934. The yield of washed and top beet was estimated at 8·4 tons an acre, or 0·5 tons an acre less than that for 1934, and it was anticipated that the total production of washed and topped beet would be approximately 3,100,000 tons.

LIVESTOCK

Farmers raising cattle for the beef market, in which conditions are depressed, have turned increasingly to dairy production, with the result that there have been greater supplies of milk, which are being used largely for butter, cheese and condensed milk, but low prices have resulted in a poor return to the farmer. Pig production increased, there being 500,000 more pigs

in the country than in the previous year. At the end of the year there was a surplus of supply which depressed prices. The industry expresses some hope that levy-subsidy measures will be adopted by the authorities, ensuring a steadier price to producers.

During the year the beef industry was depressed and market prices were unsatisfactory to the producers, in spite of the subsidy on fat cattle. There was an improved export demand for pedigree stock. Conditions for sheep improved and satisfactory prices were realized, this being assisted by a growing taste for lamb on the part of the public. There was no increase in poultry production during the year, following a previous period of rapid expansion.

There appears to be general agreement that the measures taken by the Government to assist agriculture are, on the whole, having beneficial results. The necessity of relating the interests of the consumers with those of the producers is becoming more widely recognized.

Commenting generally upon the agricultural situation, the *Times* "Review of the Year" says: "The farming community looks back on 1935 with mixed feelings. On the whole industry has gained rather than lost ground, but hopes of better times have not been realized in full... The year has seen an expansion in livestock production and the increased head of stock on farms has enabled the most efficient farmers to pay their way."

DRIED APPLE POMACE FOR THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, January 17, 1936.—The apple pomace requirements of the pectin and jam manufacturers in the West of England are, to a large extent, met by the English cider makers who, in this way, dispose of the residue of their cider apples. Although the quantity of such pomace available is large, due to the considerable volume of cider production in this part of the country, it is necessary to import a certain amount from other sources, chiefly the United States and France.

QUALITY OF APPLES REQUIRED

Generally speaking, it is found that culinary and dessert apples contain appreciably more pectin than cider fruit. American and Canadian dried apple pomace sometimes contains from 20 to 25 per cent crude pectin (alcohol precipitate), whereas cider pomaces range between 10 and 15 per cent. In some countries pomace is quite as valuable as the juice, and consequently the juice is often not completely expressed as is usually the case here. The cores and skins removed in the process of canning or drying apples are quite suitable for pomace.

There is no doubt also that very slightly immature apples will produce a better pomace than that made from over-ripe fruit. As the fruit matures the parent substance of pectin, called pectose, is decomposed with the formation of soluble pectin. This process is practically complete by the time the apple is ripe. Consequently, at this stage there is a maximum of pectin present. When the fruit becomes over-ripe the pectin is decomposed and lost. Another disadvantage of using over-ripe fruit is that the pomace becomes dark in colour, and the extract is more difficult to clear.

For these reasons therefore the English pomace, if used alone, does not produce the best pectin, and imports amount to some 500 or 600 tons annually. These are composed chiefly of the by-products of the dried or gallon apple industry or, as in the case of France, of the cider industry, where the apples used are particularly high in pectin content.

PACKING

After being prepared from the apple waste, the pomace should not be allowed to ferment, but must be thoroughly dried and kept in that state until ready for use. It should be packed in jute bags, preferably of 112 pounds.

PRICES

English pomace is selling presently at around 4s. 6d. to 5s. per cwt. (112 pounds). The American variety is competitive at from 8s. to 9s. c.i.f. United Kingdom ports, duty extra. It is difficult to give a definite price for French pomace as the quality varies considerably, depending upon whether the material is obtained as a by-product of cider mills or distilleries, or from some other source. All that can be said is that quotations vary between the prices of the English and American product. Offers of Canadian pomace have recently been made but, where the quality was satisfactory, the price has been out of line.

Pomace from Empire countries enters free of duty, while the foreign product is subject to a duty of 10 per cent.

Producers having supplies of dried apple pomace available for export are invited to send samples and c.i.f. prices to the Canadian Trade Commissioner, Colston Avenue, Bristol, as there is at the moment an interest in offers from Canada.

HAY MARKET CONDITIONS IN THE WEST OF ENGLAND

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, January 22, 1936.—At the turn of the year there was still some of the 1934 hay crop to be disposed of in the West of England and in South Wales. The quantity varied according to the locality, but generally the consumption of the 1935 hay was well under way. The 1935 crop of hay, as was previously reported, was of very good quality and in considerable volume. The quality is so good in some areas that farmers, particularly those with a small carry-over of 1934 hay, are using a percentage of oaten straw with their hay.

In southwest England prime clover hay is bringing the farmer from 60s. to 70s. per ton, while low land or meadow hay is only worth 15s. to 20s. per ton less.

In South Wales prices are not nearly as good. Meadow hay has been sold at 35s. a ton in the rick, or 55s. free on rail. Nearby English farmers are occasionally accepting a price for hay which enables the buyers to land it in Cardiff at 60s. per ton. Recently there has been a tendency for the quotations for meadow hay to harden somewhat owing to the floods in many parts making it impossible for buyers to secure access to the hay purchased.

Clover mixtures of the 1935 crop are bringing the farmers 50s. to 55s. per ton at the stack, making 63s. to 67s. free on rail. This price requires the buyer to cut the hay from the stack.

During December two small parcels of hay arrived from Canada. This hay was shipped as of "fair average quality," a grade which has no official definition, but which has long been recognized, especially in the South Wales trade. The disposing of these parcels was arranged after some difficulty, and the best price which could be secured was 60s. a ton.

At the moment there is no possibility of selling even better grades of Canadian hay in this market in view both of the quality of readily accessible local hay and the low prices at which it is passing, and passing but slowly, into consumption.

BRITISH INSTITUTE OF EXPORT

London, January 14, 1936.—The Canadian Trade Commissioner in London writes that a new organization called the Institute of Export has just been formed in the United Kingdom to devote itself solely to the development of British export trade and to the interests of those connected with it.

The institute has been founded by a group of prominent business men representing manufacturers, merchants, shipping, insurance, and banking activities. Its specific objects include general recognition among manufacturers and the public of the paramount importance of Great Britain's export trade and of the urgency of raising the general standard of export practice; the provision of a body of specialists to set the necessary standards of export trading and to organize suitable educational courses for those desiring to take up export as a career; the protection of the interests and the improvement of the status of those engaged in British export; the supervision of members of the profession and the establishment of rules on matters pertaining to professional conduct; the provision of facilities for obtaining information and guidance on export matters, and the initiation and maintenance of investigation and research into the best means and methods of export practice.

While it is concerned solely with improving the efficiency of export trade from the United Kingdom, no doubt the progress and experience of the new organization will be of some interest to Canadian institutions and firms, particularly those which are engaged in supplying goods to overseas countries.

SCOTTISH INDUSTRY AND TRADE IN 1935

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, January 14, 1936.—The improved economic conditions in Scotland reported in this review twelve months ago have continued and expanded during the year just past. The closing months particularly gave evidence of an acceleration in the advance to fuller employment and comparative prosperity, so that the new year broke under conditions which were better than for six years past, and which have promise for the future.

It would be a mistake to assume that the recovery is general, for in agriculture and shipping, to name two important industries, the position is less than satisfactory. But the progress in shipbuilding, engineering, coal, iron and steel, and various subsidiary trades—those industries in which Scotland excels, and the stagnation in which in the past few years has been responsible for so much unemployment—has been extremely gratifying.

But a full recovery to conditions of past prosperity is not possible without a restoration of at least a large proportion of the export trade Great Britain formerly enjoyed. It is universally recognized here that this can only be accomplished when currencies are stabilized and when national barriers to international trade are levelled or reduced, and the world returns to a normal interchange of goods and services. With the recognition of these two pre-requisites to normal international trade goes the knowledge that they are mutually dependent.

SHIPBUILDING AND MARINE ENGINEERING

The year 1936 will be the best that Clyde shipyard and marine engineering establishments have known since 1930, the close of the year just ended having been marked by a further "spate" of orders and the immediate prospect of others. The contracts now or about to be signed comprise a tonnage for the

Clyde nearly double the total launching output from the river in 1935. The number of ships built on the Clyde, with tonnage, in the years 1930 to 1935, was as follows: 1930, 246 (529,744 tons); 1931, 101 (152,633); 1932, 64 (66,612); 1933, 31 (56,455); 1934, 67 (268,121); 1935, 74 (171,930). The total Scottish output in 1935 was 104 vessels of 212,054 tons as compared with 95 vessels of 282,389 tons in 1934.

Anything in the nature of a shipbuilding boom, however, is not in sight, and the year just opening will have to show a large advance in prospective activity, good as that is, to justify the description. By way of illustration, it is sufficient to take the output of the past year, 171,930 tons (which, however, will probably be easily doubled in 1936), and compare it with the average output of the past thirty-five years, which was 452,178 tons. The highest outputs by years were: 1913, 756,976 tons; 1920, 672,436; 1919, 646,154; 1912, 640,529; 1911, 630,583; and 1928, 604,611. In no year during that period of thirty-five years had the output dropped below 300,000 tons, except in 1923, 1926 (the year of the great coal strike), and during the present slump.

IRON AND STEEL

Twelve months ago it was reported in this review that an expansion in business in this industry was to be expected in 1935, following two years of steady improvement. The year just ended has fully justified the forecast, and, moreover, has proved to be one of the most prosperous ever enjoyed by it.

A gradual but progressive improvement in home demand, most marked in the heavy steel branch—steel plates, sections, joists, and semi-finished materials—has taken place, especially in the second half of the year. The position as regards export, as might be expected, was less satisfactory.

In the summer of 1935 a final agreement was signed by the British Iron and Steel Federation and the Steel Cartel, representing the steelmakers of France, Germany, Belgium and Luxemburg. The life of the agreement, which covers numerous classes of iron and steel products, is five years. On the one hand, the cartel agrees to restrict exports to Britain to 670,000 tons in the first year and to 525,000 tons in subsequent years. At the same time, it undertakes to secure for British makers, by sectional agreements relating to each class of products, the same proportion of the total export trade of the contracting countries as Britain enjoyed in 1934. In return the British Government, at the request of the federation, reduced the import duty from 33½ per cent to 20 per cent.

The year closed in a period of intense activity, and if business in general continues to grow, as it shows every evidence of doing, the year 1936 should witness a still further expansion in the iron and steel industry. One of the largest steel firms in Scotland has lately announced an important extension of its works.

COAL

From early in the year 1935 each month has shown a steady improvement in comparison with the corresponding month of 1934, sometimes strongly marked, and on the whole there has been a modest rise in the profits per ton. The policy of relating supply to demand, together with the co-operation of pit owners in marketing, have materially assisted to bring about this result.

There was during the year an expansion of home demand as a result of the general revival of trade, the public utility undertakings and heavy industries having been particularly heavy buyers.

There was a decline in the export trade, however, although Scotland fared relatively well in this branch as compared with certain coalfields in England

and Wales, probably in the main as a result of the "coal for cattle pact" with the Irish Free State, signed in February, to which country shipments are now described as "exports," and not as coastwise traffic.

A serious wages dispute between the Miners' Federation and the coal owners was pending as the year closed.

TEXTILE INDUSTRIES

The spring season trade in the tweeds industry of the Scottish Border district was under normal, factories generally running from eighteen to thirty hours per week, as merchants and tailors were evidently waiting for a general improvement in trade before replenishing stocks. Business of a dragging nature continued throughout most of the year, but in the autumn there was a slight improvement, and looms were then running on an average of from thirty to thirty-five hours per week. An upward tendency in business developed with Central Europe, South America, and, to a slight extent, with the United States. The latter part of the year was decidedly better than the earlier months, and a firmer feeling prevails in this important industry.

The hosiery and underwear and knitted goods for outerwear trades have all experienced an improvement in business compared with 1934, and there is a considerable degree of confidence for 1936.

LINEN

Little progress can be reported in this trade for 1935 as compared with the two preceding lean years. So great have been the changes introduced that only a comparatively small proportion of the products of this industry are actually woven from linen yarn. For instance, the great bulk of the damask goods sold are cotton-made from Egyptian or American yarns. Where the Scottish manufacturer is succeeding in the home market is with his rayon cloth, bedspreads, and bedroom furnishings of all kinds, and also with the embroidery ranges which some of the manufacturers manage to run so successfully in the Christmas season.

There is some prospect of an increase in business in 1936. How far Scotland will share in the increase depends on how far her manufacturers are able to compete in price with the manufacturers of Northern Ireland.

JUTE

During the first nine months of the year the Dundee jute spinners and manufacturers did a spasmodic and not generally remunerative business. Prices of yarn and cloth ruled low in contrast with the raw material, which was subject to a voluntary crop restriction scheme in Bengal, and was furthermore reduced by unfavourable weather. The later months of the year showed a greatly increased volume of trade, large buying orders reaching all sections, an outstanding feature being the heavy and urgent demand by the United States for hessians for the linoleum industry. The future would be viewed with great confidence were it not for the difficulties of the Calcutta mills, which, of course, exercise a powerful influence on the business of the Dundee manufacturers.

CARPETS

Many thousands of people are employed in the highly important carpet-making industry in the West of Scotland, while the annual output runs into millions of pounds sterling. Indeed, it is probable that the combined output of all the English makers does not exceed double the production of the Scottish factories.

The year 1935 has been one of consistent good trade, and extensions to some of the factories have had to be made to cope with the demand. The carpet trade is naturally dependent mainly upon the home market. The exports during 1935, however, continued to show a substantial growth for the third year in succession since the worst of the slump. This increased overseas business has been due on the whole to the financial recovery of Australia, South Africa, and New Zealand. There is little business available from Canada, the United States, or the countries of South America.

The only real competition in the British home market, entry to which by carpets of foreign manufacture is subject to an *ad valorem* duty of 20 per cent, is by India. No import duty is levied against Indian carpets, and their sales have reached high levels owing to their comparatively cheap prices, the result of low wages and raw materials.

SUGAR MACHINERY AND CLYDE SUGAR REFINING

Most of the sugar machinery built in Glasgow during the year 1935 has been exported to countries within the Empire. At least two of the factories have kept two shifts of men employed nearly the whole year. In South Africa and Australia there are flourishing cane-sugar industries, about half the production of which is consumed locally and the other half exported to preferential Empire markets at a price considerably above the open market price. Some South African mills, pursuing a policy of continuous improvement, have sent a considerable number of orders to Glasgow during the past year for milling plants, evaporators, centrifugal machines, and smaller machines. The outlook in the Australian market is improved following a recent reduction in the tariff on sugar machinery of from 45 to 25 per cent. This reduction should add to the possibilities of business in the Commonwealth, where a considerable number of orders originated in 1935.

The tonnage of raw sugar melted in Clyde refineries during the year was, at 212,000, practically identical with that of 1934.

The prospects for the immediate future appear to indicate a normal course of business, except so far as it may be influenced by legislation now pending.

GREENE SUGAR COMMITTEE INQUIRY

In April the Greene Committee presented its report regarding sugar generally, and more particularly home-grown beet sugar. The majority of this committee recommended that the Government should not continue the policy of subsidizing the beet-sugar industry, but the Government concluded that it was desirable to continue its assistance, and in July issued a White Paper outlining the legislation it proposed to introduce in the present session of the House for that purpose.

Its proposals include the setting up of a Sugar Commission to carry out the Government policy; an amalgamation of the beet factories into one corporation by April 1 next; the production of refined sugar by the corporation to be limited to 500,000 tons annually; the extent of the acreage of land for the production of beet to be controlled by the Sugar Commission. The assistance to be given the corporation will arise from the following sources: (a) the existing duty preference; (b) a direct subsidy subject to fluctuations dependent upon various trading conditions; (c) an annual payment to be made by the old-established sugar refineries.

The proposed legislation does not include any change in the existing customs, excise, and subsidy scales.

It will thus be noted that from April 1, 1936, the refining industry, as well as the Beet Corporation, will come under a certain degree of Government control.

WHISKY

The Scotch whisky industry had a fairly good year despite the high excise duty on spirits, and the recent reduction of 50 per cent in the import duty on whisky entering the United States (as a result of the Canada—United States trade treaty) will doubtless have a beneficial effect on exports to that country.

There are no figures yet available to show the consumption of Scotch whisky during the year, but the quantity distilled was up by 3,131,000 gallons as compared with 1934, the figures rising from 14,837,000 to 17,968,000 gallons. It is reported that this increase is entirely in patent still (grain) whisky, for during the past twelve months there has been an increased demand for grain whisky of all ages, and an extreme shortage has been created, so much so that a number of users have had to make up the deficiency (in their blends) by an increased use of malt whisky. One possible ill-effect of the unusual demand for grain whisky may be an over-production of both grain and malt whisky.

PAPER

The largest manufacturing section of the paper trade in Scotland is high-grade esparto writing and printing papers, and coated papers made on a similar base. In these classes Scotland holds a pre-eminent position.

There was a substantial improvement in business in 1935, and most of the mills are working on, or near, full time. Three new paper machines have been installed during the year.

Prices of raw materials have not varied greatly, but freights on esparto grass from North African ports, because of the international situation, have advanced several shillings per ton.

A minimum price agreement throughout the year has prevented price-cutting, but prices nevertheless remain low, and it seems that a rise will be inevitable in the near future to ensure an adequate return on working capital.

During the year there has been a substantial increase in the production of newsprint in Scotland.

The mills generally are in a high state of efficiency, and the year to come is awaited with a considerable degree of confidence.

AGRICULTURE

After fourteen years of depression, intensified during the past four or five years by the decreased purchasing power of industrial workers as a result of the slump, Scottish agriculture has now solid grounds for hopes of improvement.

Neither the agricultural community itself nor the Government was willing to await an increased demand and rising prices which would mark the beginning of the end of the economic storm; the patient required immediate and drastic remedies. Accordingly, since the end of 1933 numerous marketing schemes have been launched on behalf of an industry the members of which are traditionally individualistic and conservative. These schemes have not been an unqualified success; changes and adjustments in plans which were necessarily experimental have had to be made, and may have to be made in the future. But some of them at least have enabled the farming community on the whole to get into smoother water.

In Scotland the most unfavourable features are the low prices of oats, which is the principal cereal crop, and the continued depression in the fat cattle industry. With regard to the latter, British feeders are awaiting the long-term

policy of the Government, who are naturally unable to deal quickly with the complexities of a many-sided problem.

Perhaps for the first time in history the city and town populations of Great Britain are farm-conscious and sympathetic to the claims of an industry which is by far the most important in the country.

UNEMPLOYMENT

The Divisional Office of the Ministry of Labour at Edinburgh have issued statistics which show that the total number of unemployed persons on the registers in Scotland at December 16 was 303,329, which represented a decrease of 30,282 compared with the same time last year. Of these, 91,571 were in Glasgow, 13,182 in Edinburgh, 14,086 in Dundee, and 8,069 in Aberdeen.

COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

TRADE PROSPECTS FOR 1936

Sydney, January 2, 1936.—Taking as an index the activities of 1935, leaders of trade and commerce in Sydney regard the prospects for 1936 in New South Wales and Australia generally as bright with a continuance of the existing buoyant conditions.

Trade in 1935, taking it generally, has been far above the average of the last five years, with wheat at a reasonable price, wool and all pastoral products realizing well, and butter prices practically 50 per cent higher than two years ago. The mining industry is in a much better position than it has been for a long period, and the building and allied trades are improving.

The growth of employment, alike in factories and in the retail trade, has been a feature of the year.

SYDNEY WOOL SALES

The tone of the market at the Sydney sales in the closing series of December gives good reason to expect keen competition for the balance of the Australian wool clip, the season for which reopens on January 6 and practically closes on April 2.

Values at the last sales were buoyant, prices for well-grown spinners' wools showing a hardening tendency. Yorkshire bought with increased vigour as a result of favourable reports from Bradford regarding the maintenance of turnover. Japanese orders were plentiful, operations on that account having been the most consistently favourable market influence since the auctions opened in Sydney in August. France purchased in good volume, and German buyers were fairly active. Australian millmen bought well-grown spinners' wools keenly, and Belgian bidding was brisk. North American buyers competed strongly for attractive length, medium-fine, free fleece offerings and the increased sales in this direction have been marked. Italy also purchased to some extent.

The first half of the season has been very successful. The quantity sold in Sydney since July 1 last totalled 642,746 bales as compared with 492,796 for the corresponding period of 1934. The average price per bale at the beginning of this season was £16 18s. A month later the price fell to £15 3s. 3d. per bale, but the closing price average was £17 12s. 10d.

AUSTRALIAN SHEEP FLOCKS

The first sheep census of Australia was dated May 1, 1788, when 29 sheep were recorded. In 1795 there were 863, and three years later 10,057. By 1820, after the coastal ranges had been crossed and the real development of the Australian wool industry had begun, there were 156,000 sheep, and by 1860 the number had been increased to 23,000,000. The large total of 106,421,968 was recorded in 1891, but a series of severe seasons of drought that followed materially reduced the total. In 1934 the total number was estimated at 114,510,000. Notwithstanding a severe drought in the State of Queensland last year, when 6,000,000 sheep died, it is estimated that the total is at present about the same as that for 1934.

TOBACCO-GROWING IN AUSTRALIA

The 1935 Australian tobacco crop was again affected in several districts by ravages of blue mould and adverse climatic conditions. The growers have found no difficulty in selling all their usable bright and mahogany leaf. It is becoming increasingly evident that growers must relinquish their haphazard growing methods and only produce the type of leaf which is required to meet the demand of the smoker. As a result a serious effort is being made by the state authorities gradually to cease cultivation on unsuitable growing areas, to improve the quality of the leaf grown and the grading, and to apply a wider knowledge in attacking pests and diseases. The Commonwealth and State governments have set aside a sum of £20,000 per annum for five years for educational purposes.

Recent experiments and results evolved in treating blue mould with benzol treatment are stated to have been very successful. Plants so treated not only thrived in the beds, but are growing particularly well in the field. Check beds which were not subjected to the treatment were, however, badly affected.

MINERAL WEALTH OF AUSTRALIA

The value of production of the mineral industry is now considerably less than that returned by the agricultural or pastoral industries.

The extent of the total mineral wealth of Australia cannot yet be regarded as completely ascertained, as large areas of country still await systematic prospecting. Its greatest wealth is in coal, and it has been estimated that the actual known reserves and probable additional reserves total 147,635,000,000 tons. Next in order come lead and silver lead, gold, iron, zinc, tin, and copper.

The aggregate value of the gold produced since its discovery in 1851 up to the end of the year 1933 was £646,830,282.

MR. LANGLEY'S TOUR OF CANADA

Mr. J. A. Langley, Commercial Secretary in Tokyo, has resumed his tour of the principal industrial centres of Canada in the interests of Canadian trade with Japan, and will visit Vancouver, February 6 to 19, and Victoria, February 20 and 21. Firms who wish to be brought in touch with Mr. Langley should communicate with the Canadian Manufacturers Association in these cities.

WHEAT AND FLOUR SITUATION IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one metric ton equals 2,205 pounds; one florin or guilder equals Can.\$0.402 at par and approximately \$0.67 at the current rate of exchange. Conversions have been made at par, unless otherwise specified.)

WHEAT

Rotterdam, January 17, 1936.—The Netherlands trade statistics covering the fourth quarter of 1935 do not reveal any radical change in the volume or origin of wheat imports. The total of 135,878 metric tons is average. The effect of higher prices is noticeable, and there has been a diminution in arrivals from Argentina and an increase from Canada. During the latter half of December, owing to the increased price of the South American product, there was much more active trading in Canadian wheat, which will be reflected in the import figures for the first half of 1936.

Imports during the last three months of 1935, with comparative figures for the preceding quarter and the corresponding period of 1934, were as follows:—

Country of Origin	Oct.-Dec., 1934		July-Sept., 1935		Oct.-Dec., 1935	
	M. Tons	\$	M. Tons	\$	M. Tons	\$
Total	148,655	2,778,800	144,523	2,355,200	135,878	2,455,600
Germany	109	2,000	7,528	106,000	1,968	29,600
Belgium	8,130	131,600	4,607	72,400	2,963	56,400
Canada	22,890	431,600	21,095	393,600	25,165	506,000
Argentina	99,869	1,430,800	82,660	1,293,200	70,117	1,232,000
United States	15,224	317,200	14,933	212,400	3,365	636,000
Sweden . . . . .	.....	.....	11,998	40,400	8,823	127,200

WHEAT IN STORAGE

The quantity of wheat in storage in Rotterdam remains at a low level with only 22,700 tons on hand at the end of the year in comparison with 75,000 tons in December, 1934.

Wheat stocks during the whole of 1935 have been subnormal, which, in view of the turbulent international political situation of recent months, has caused the authorities some concern. Consequently consideration was given to a scheme whereby the state would participate in laying in a stock of wheat sufficiently large to prevent acute need if normal sources of supply were cut off or endangered by the outbreak of war.

As regards the present small quantity of wheat on hand, about half of it is of Canadian origin, with the balance divided between the Argentine and Russia.

IMPORTS IN 1935

The total quantity of wheat imported into the Netherlands in 1935 was 529,265 metric tons (19,450,000 bushels) in comparison with 493,670 tons (18,141,000 bushels) in 1934 and 735,936 tons (27,041,000 bushels) in 1933. The figures for the last two years reflect the full effect of the Netherlands Wheat Mixing Law, which compels the use of 35 per cent domestic wheat and which has caused a diminution of imports by that proportion. Prior to 1933 these averaged about 27,000,000 bushels.

Details of imports during the last three calendar years are subjoined:—

Country of Origin	1933		1934		1935	
	1,000 Bush.	Per Cent	1,000 Bush.	Per Cent	1,000 Bush.	Per Cent
Total	27,041	....	18,141	....	19,450	....
Canada	8,511	31.5	3,246	17.8	3,561	18.3
Argentina	7,716	28.5	8,877	48.9	11,640	59.8
Germany	3,016	11.2	623	3.4	360	1.8
Russia	2,840	10.5	663	3.6	907	4.6
United States	1,621	6.0	1,286	7.0	1,266	6.5
Sweden . . . . .	.....	....	.....	....	820	4.2

DOMESTIC WHEAT PRODUCTION

The production of wheat in the Netherlands has been fostered by compelling the mills to use 35 per cent of the home-grown product, for which the grower receives a guaranteed price. This has recently been reduced from 10 fl. to 9 fl. per 100 kilos, which is the approximate equivalent of a drop from \$1.85 to \$1.67 (current rate of exchange) a bushel.

FLOUR

A heavy increase in the purchases of Hungarian flour has put that country in a leading position as a source of supply and has brought total imports for the last three months of 1935 up to 12,296 metric tons in comparison with 10,062 tons in the preceding period. The limited amount of trade which can be done in Canadian flour has been restricted on account of high prices.

In the recently concluded Netherlands—United States Commercial Agreement, which is to become effective on February 1, 1936, it is provided that Holland will take 5 per cent of her flour requirements from the United States, providing prices are competitive. The outcome and method of operation of this clause is causing considerable speculation in trade circles. Under existing regulations Netherlands bakers may collectively use only 5 per cent of flour which is not ground from an admixture of domestic wheat. The total quantity involved is about 30,000 metric tons, of which 22,500 are imported and the balance is manufactured locally. It is uncertain whether this total will be handed over to the United States or whether that country will be given an additional 5 per cent. In the latter case strong protests may be expected from the Netherlands millers, who since the inception of the Mixing Law have increased their capacity to the point where imports are unnecessary.

IMPORTS

As regards current imports, the figures for the last two quarters of 1935 and the last quarter of 1934 were as follows:—

Country of Origin.	Oct.-Dec., 1934		July-Sept., 1935		Oct.-Dec., 1935	
	M. Tons	\$	M. Tons	\$	M. Tons	\$
Total	12,811	239,600	10,062	215,600	12,296	288,000
Germany.	49	800	.....	.....	668	13,200
Belgium.	33	800	195	4,000	103	2,400
United Kingdom ..	256	6,000	598	13,600	522	12,400
France	8,639	122,800	3,748	63,200	2,873	56,000
Italy.	223	7,800	800	9,600	928	11,200
United States. . .	2,132	66,400	2,647	80,000	2,093	68,400
Canada	1,265	34,400	872	24,800	1,352	40,000
Switzerland. . . .	13	400	553	6,400	471	6,400
Australia .. . . .	.....	.....	227	4,800	222	5,600
Hungary. . . . .	.....	.....	205	4,800	2,670	65,600

CONDITIONS IN THE UNITED STATES LUMBER INDUSTRY

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, January 27, 1936.—The United States Lumber Survey Committee, in a recent report to the United States Secretary of Commerce, finds the reasonable balance of production and consumption, which was virtually restored during the first half of 1935, is jeopardized in some regions by a certain trend to over-production. The committee pointed out that in 1935 lumber prices were above those of 1934, and that further increases would take place in 1936. Residential construction during the past year showed a marked improvement over that of 1934. There was a decline in exports during 1935 and imports increased, while lumber stocks were below those of 1934.

LUMBER PRODUCTION

On the basis of current production, the softwood output for the fourth quarter of 1935 will amount to 4,112 million feet, bringing the total softwood production during 1935 to 14,440 million feet board measure. This amount is an increase of 1,780 million feet over the output of 12,660 million feet in 1934. Hardwood lumber production for the first nine months of 1935 is 2,241 million feet, and it is estimated that the output for the year 1935 will be about 3,000 million feet compared with 2,603 million feet in 1934, an increase of about 15 per cent. The following table shows the total lumber production in the United States from 1931 to 1935:—

	1931	1932	1933	1934	Jan.-Sept., 1935	Oct.-Dec., 1935*
	Figures in Millions of Feet Board Measure					
Softwoods	13,852	8,746	11,899	12,660	10,328	4,112
Hardwoods	2,671	1,405	2,061	2,603	2,241	770
Total	16,523	10,151	13,960	15,263	12,569	4,882

* The October to December figures are estimates.

Production reports indicated a decline in the output for the first half of 1935 as compared with the like period of 1934. However, during the latter half of 1935 production increased to a very great extent. The most important increases in softwood production took place in the following regions: Southern Pine, West Coast, Western Pine, and Northern Hemlock areas.

The estimated softwood lumber shipments for 1935 amount to 14,999 million feet. This is an increase of 2,401 million feet or about 20 per cent over the shipments of softwoods for the year 1934.

Although the larger yards have built up fairly balanced inventories, many lumber retailers have low stocks owing to inability to finance forward buying. They generally expect improved business in 1936. The hardwood industry anticipate continued active demand especially from the furniture and automobile industries. Export prospects are uncertain and unsatisfactory.

LUMBER PRICES

During the past year there has been a continued stability in lumber prices. From August to November, 1935, the average monthly price of softwood lumber was \$21.80 per million feet board measure, f.o.b. mills, while the price for the third quarter was \$24.26. For the first and second quarters of 1935 the average prices were \$21.95 and \$22.29 respectively. The following table shows a comparison of average prices of softwood lumber for the years 1933 to 1935:—

	1933	1934	1935
	Prices per 1,000 Feet B.M. F.O.B. Mill		
1st quarter	\$16 59	\$21 10	\$21 95
2nd quarter	19 88	20 15	22 29
3rd quarter	22 25	19 90	24 26
4th quarter	21 45	20 50	.....

The regional associations report the expectation of steady or upward price trends in the next four months. On the West Coast price advances are indicated by present and prospective demand and a favourable stock position. The Southern Pine regions expect the prices to be steady. Western Pine areas report that prices will probably remain at present levels unless tariff reductions under the new United States—Canada trade agreement cause changes in prices. Northern Pine prices are expected to remain steady.

BUILDING SITUATION

New residential construction, including recorded modernization and repair projects, measured in floor space, during the first eleven months of 1935 was 90

per cent greater than that in the full year 1934, and 60 per cent greater than that in the full years 1932 and 1933.

According to the reports of the F. W. Dodge Corporation, total construction contracts, including public works, in the first eleven months of 1935 in thirty-seven States east of the Rocky Mountains were valued at nearly \$1,580,443,400 or about the same as the 1934 year value of \$1,543,108,400. Increased farm income in 1935 has added appreciably to rural construction.

Predictions have been made that home construction in 1936 will be twice that of 1935, and that 1937-38 will be boom years for building. The predicted 1936 total would equal that of 1930 and be about 40 per cent of normal.

LUMBER EXPORTS AND IMPORTS

Estimated lumber exports for the fourth quarter of 1935 are slightly below those for the third quarter, but are above the second quarter when the West Coast lumber strike was taking place. Total exports for 1935 are estimated at 1,252,697,000 feet, which compares with 1,330,642,000 feet in 1934, a decrease of about 6 per cent. The export market is weak, due partly to hesitancy because of war conditions and threats, to the stiffening of charter rates all over the world, and to relatively small demand from the Orient. China is buying practically all lumber from Canada; Japan, owing to the former British Columbia embargo, has been placing her orders in this country, but they are not heavy at present despite the low conditions of her stocks.

Total Exports of Lumber from the United States

Calendar Year	To the World Feet	To Canada Feet
1931.....	1,646,198,000	93,127,000
1932.....	1,132,135,000	41,313,000
1933.....	1,268,025,000	40,413,000
1934.....	1,330,642,000	55,487,000
1935, 1st 6 months.....	658,344,000	33,111,000
1935, 2nd 6 months*.....	594,353,000	.....

* Estimated.

Lumber imports during the third quarter of 1935 were unusually large because of the continued heavy shipments of fir from Canada and a large shipment of spruce from Russia in the month of July. In the first month of the fourth quarter fir imports declined considerably, spruce showing a slight increase. During October there was another shipment of spruce from Russia, which as already noted brought the total United States imports of spruce from Russia at the end of October, 1935, to 23,535,000 feet. The total lumber imports for 1935 are estimated at 429,464,000 feet, compared with 264,472,000 feet for the like period of 1934, an increase of about 40 per cent.

LUMBER CONSUMPTION

The United States lumber consumption of softwoods and hardwoods for the fourth quarter of 1935 is estimated at 4,557 million feet, a slight decrease from the third quarter of the same year. The total lumber consumption for 1935 amounted to 17,976 million feet compared with 15,467 million feet in 1934, an increase of 2,509 million feet. Total consumption of lumber for the years from 1931 to 1935 were as follows: 1931, 19,070,000,000 feet; 1932, 13,105,000,000 feet; 1933, 15,148,000,000 feet; 1934, 15,467,000,000 feet; 1935, 17,976,000,000 feet.

The furniture-manufacturing industry is continuing to experience a pronounced revival, and it is likely that the year's business will approximate that

of 1931. Activity in this line during 1935 was about 33 per cent greater than in 1934. The automobile industry increased its use of hard and soft woods during the past year. The consumption of lumber in boxes and crates showed a gain in 1935 over the 1934 consumption.

LUMBER STOCKS

Changes in mill stocks on January 1, 1936, from January 1, 1935, show that softwood stocks have decreased 9 per cent from 5,729 million feet to 5,145 million feet. Hardwood stocks have increased 1.8 per cent from 2,075 million feet to 2,111 million feet. The total decrease in lumber stocks of softwood and hardwood is about 6.1 per cent or from 7,822 million feet to 7,347 million feet.

In the southern pine region stocks have decreased about 25 per cent. The West Coast stocks are reported badly broken with a large proportion of producers endeavouring to build up inventories to serve and expected materially improved spring demand. In the western pine territory, both Ponderosa pine and Idaho white pine show increases of stock. The northern pine regions report a decrease of about 35 per cent in their stocks of lumber. The northeast hardwood stocks are fairly well assorted with no over-supply.

Estimated Lumber Stocks

(millions of feet)

Softwood Regions	Jan. 1, 1934	Jan. 1, 1935	Jan. 1, 1936
Southern pine	2,002	2,000	1,640
Douglas fir	1,168	1,358	1,086
Western pine	1,336	1,345	1,489
Redwood region	285	300	282
Tidewater cypress	334	252	210
Northern (Minnesota)	126	105	76
Northern (Wisconsin and Michigan)	185	179	177
Northeastern	200	150	150
Appalachian	52	40	35
Total softwoods	5,688	5,729	5,145
Total hardwoods	2,058	2,075	2,111*
Unclassified	22	18	....
Grand total	7,768	7,822	....

* Estimated.

It is too early in the year to forecast with any assurance the 1936 market for Canadian lumber, the entire market being dependent upon a revival of the building industry. Nevertheless, it is an intelligent anticipation that not only will building construction greatly improve in the current year, but as a result of this improvement various industries will require lumber for the rehabilitation of their plants as well as to increase production.

The United States Regional Lumber Associations generally are optimistic over lumber sales prospects in 1936. The Southern Pine Association consider prospects for the new year the brightest since 1930. The West Coast Lumbermen's Association forecasts increasing sales volume for all sources of domestic consumption. November orders exceeded November, 1934, by 50 per cent. Seasonal decline in business volume during December and January will be less than normal. For the first four months of 1936 they look for increased sales of at least 20 per cent over a year ago. Yard lumber consumed in residential building will lead this increase, while more active buying for railroads and other industrial uses, and for heavy construction on public projects, are anticipated.

MARKET FOR CHEESE IN PANAMA

R. A. CAMERON, ASSISTANT TRADE COMMISSIONER

Panama City, January 15, 1936.—Although efforts have been made from time to time to develop a domestic production, the Republic of Panama continues to depend almost entirely upon imported cheese and this condition appears likely to continue. An inferior grade of cheese is being produced locally and is sold largely to consumers who cannot afford even the cheapest class of imported cheese.

Importations of cheese amount to approximately \$60,000 in value annually. In recent years, with the exception of 1933, the volume of imports has remained practically constant; imports of other commodities, on the other hand, have shown sharp declines. The demand for cheese in this market is not seasonal in character, importations being made steadily throughout the year.

Prior to 1934 small shipments of Canadian cheese had been well received, and in that year out of total imports valued at \$59,930, Canada was credited with \$3,094. This ratio has been maintained in 1935.

EXTENT OF THE MARKET

The following table shows the imports of cheese into Panama for the years 1931 to 1934 and for the first nine months of 1935:—

Imports of Cheese into Panama

	United States		Total all Countries	
	Kilos	\$	Kilos	\$
1931	128,590	47,770	157,862	60,549
1932	204,550	53,371	232,961	63,375
1933	178,145	44,848	209,480	54,895
1934	149,521	51,922	170,407	59,930
1935 (Jan.-Sept.)	101,253	34,836	127,586	43,477

The United States has always enjoyed the bulk of the trade and supplied 70 per cent of the total in 1931, and 80 per cent in the first nine months of 1935. In the trade returns of Panama, Canadian shipments made through New York are credited to the United States; but imports from the Dominion were negligible until two years ago. The variety of the demand for special cheeses in Panama may be judged from the fact that nineteen other countries are given as sources of supply. The most important of these in the January-to-September period of 1935 were: Italy, 5,358 kilos (\$2,689); New Zealand, 10,526 kilos (\$2,248); Costa Rica, 2,196 kilos (\$1,029); Denmark, 3,100 kilos (\$1,011); and Holland, 1,446 kilos (\$559).

DEMAND

The cheese which is imported in small quantities from certain South and Central American countries is a hard medium yellow, made from sheep's, goat's, or llama's milk. Cheese from European countries is consumed largely in the Canal Zone and by foreigners resident in Panama. In the better-class stores American processed cheese is in chief demand. There is also a wide demand for fresh Cheddar, particularly a red-yellow Cheddar of mild flavour and fine texture. A cheese which does not crumble in cutting is preferred, since most of the stores use a knife rather than a slicer.

PACKING

Processed cheese is packed in $\frac{1}{2}$ -, 1-, and 5-pound blocks, wrapped in tinfoil, the small weights boxed in cardboard, the 5-pound weight packed in wood.

Individual portions wrapped in foil are not known. Processed cheese from Holland is packed in hermetically sealed tins or bladders and enjoys a reputation for its good keeping qualities.

Cheddar cheese comes in heads weighing from 20 to 22 pounds, packed singly in hoops. Formerly these were packed three heads to a hoop, but this was found unsatisfactory, the stores preferring to purchase one small head at a time. The large 40- and 50-pound heads sold in Canada are not in demand. The heads are wrapped in cheesecloth as for domestic consumption, a thin coating of paraffin being spread over the cloth. The head is then packed in the hoop, which is bound once around with stout wire. On the Colon side of the isthmus the preference is for heads of 10 pounds, each packed four in a hoop.

TARIFF

The duty on cheese of all kinds imported into Panama is 20 cents per gross kilo, plus 3 per cent ad valorem, which is the consolidation of the consular fees and other entry charges.

METHOD OF SALE

The best method of sale is either through a distributor or direct to the larger stores. The larger stores usually purchase direct, and in addition to their retail business they act as wholesalers to the smaller grocers. Ordering direct from the larger importers is the best method of doing business until their product becomes known. Credit is neither asked for nor given; the usual terms are sight draft against documents.

ADVERTISING

Advertising is not necessary. A product of good quality, packed properly, and priced reasonably will find a ready market, particularly if the exporter is attentive to correspondence, fills orders promptly, and provides correct documentation. These factors are of more importance than advertising.

Canadian exporters interested may obtain the names of the larger importers in Panama and certain price information on application to the Department of Trade and Commerce, Ottawa, referring to file No. 12035.

HAITIAN DRIED FISH MARKET

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, January 15, 1936.—Haiti, with a population of about two-and-a-half times that of Jamaica, offers a much smaller market for dried salted fish than the adjacent British island. Total imports of fish, salted or dried, into Haiti during the fiscal year ended September 30, 1934, amounted to 1,794,760 pounds valued at \$117,734.

The following table shows the imports of fish in this category during the years ended September 30, 1932, 1933, and 1934:—

	1932		1933		1934	
	Lbs.	\$	Lbs.	\$	Lbs.	\$
Bahama Islands	90,668	2,451	111,114	3,508	107,752	2,242
Canada	117,128	7,784	143,563	8,423	112,064	8,201
United Kingdom . . . . .	.....	.....	15,226	832	.....	.....
United States	1,462,591	95,217	1,394,899	79,977	1,511,054	103,027
Other countries	55,475	4,473	205,928	10,549	63,890	4,264
Total	1,725,862	109,925	1,870,760	103,289	1,794,760	117,734

Most of these imports, it will be noted, are shown as being of United States origin, but it is more than likely that a considerable quantity came from Canada, being sold through New York houses with agents in Port-au-Prince.

Hake and pollock are the principal varieties used, cod being considered more or less in the nature of a luxury article. The buying power of the Haitian peasant, at all times limited, has been further curtailed during recent years owing to the low world price of coffee, and the prospects of any worthwhile increase in the consumption of cod in that republic appear to be remote.

MARKET FOR CODFISH IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, January 11, 1936.—The annual consumption of dried codfish in Argentina during the five-year period to 1931 was 113,278 cwts., or equalled approximately one-third of Canada's total exports of codfish in 1934. Canadian codfish has never been consumed in this market in quantity, and no commercial shipments are recorded for recent years.

Consumption of codfish fell off somewhat in this market between 1932 and 1934, but increased again last year to 99,510 cases as compared with 63,115 cases in 1934. This increase should again bring imports to the level shown for the years prior to 1931. Norway is the principal shipper, accounting for nearly 75 per cent of the requirements in 1934. Scotland furnished the bulk of the remaining 25 per cent of all codfish imports.

TYPES AND PACKING

There are two types of codfish imported into Argentina. The Scottish fish consumed here is mostly an elongated variety averaging 36 inches in length and 11 inches at the widest point. It is shipped as ling. Norway also ships a small quantity of this type, but it is inferior in quality to the Scotch ling. The greater part of the Norwegian shipments, however, as well as a small proportion of those from Scotland, which together comprise the bulk of the total imports, is a codfish of uniform size approximately 24 inches in length and 15 inches in width.

The Scotch and Norwegian ling type cod is shipped in hermetically sealed tin boxes 38.4 by 18 by 8 inches, each packed in a wooden case of $\frac{5}{8}$ -inch lumber of 90 pounds net weight. The ling is a dry salt fish, prepared split with fins and tail but without bones, outer skin, or head.

The ordinary cod from Norway and Scotland, which comprises the bulk of the trade, is also packed in hermetically sealed tin boxes of approximately 90 pounds net weight with outer wooden case as above. This type is dry-salt, prepared split with fins, tail, and outer skin, but without bones or head.

These two types of codfish are reported to be artificially dried. In any case they arrive with a very low moisture content and have a good colour.

GRADES AND PRICES

The Scotch ling type commands a premium of approximately 75 cents per case over ordinary Norwegian codfish. The latter, however, is considered superior in quality to the relatively small quantity of Scotch cod which reaches this market. Norwegian codfish is quoted currently at 31s. 5d. sterling per case or approximately \$6.25 Canadian. It is offered in three qualities: "superior," "medium," and "small." Imports, however, are almost exclusively of the "superior" grade, which must be 24 inches in length, with a maximum of 25 per cent of 23 inches or better. The "medium"-grade fish must be between 18 inches and 22 inches and the "small" 16 inches and 19 inches in length. These are understood to be official grades.

The principal exporter of Scotch ling ships on a consignment basis to the five largest importers here. The other important shipper from Scotland sells through a local commission agent. The two most important Norwegian exporters, both of Christiansand, each sell through a commission agent here. There are a considerable number of relatively small Norwegian exporters on this market. These latter firms sell mostly to smaller local importers which would ordinarily be customers of the few large importers here and so frequently incur the losses inherent in this class of business.

Icelandic codfish has recently entered this market, but is relatively unimportant as yet. It is reported, however, to be of slightly better quality than the best Norwegian.

CUT CODFISH

Consumption of boneless cut codfish is declining in Argentina. Imports for 1934 amounted to 3,146 cwts. as compared with 6,098 cwts. in 1933. This type comes mainly from Norway, with a smaller quantity from Scotland. It is similar to the ling type, cut in sections and packed in tins of both 22 pounds and 11 pounds each. It is shipped either four large or eight small tins to the wooden case of 88 pounds. This cut fish is quoted at \$7.85 Canadian (39s. 6d.) per mixed case containing two large and four small tins. Mixed cases are being used because of the decline in consumption.

IMPORT DUTIES

Import duties have not seriously affected consumption of codfish in Argentina. In 1931 the rates on codfish were increased to four times the previous rate, but were reduced again under the Anglo-Argentine Trade Agreement in 1933. The present duties are less than 10 per cent of the retail selling price. Cut boneless codfish was charged on practically the same basis. The present rate on ordinary codfish is 1.26 cent and on cut codfish 2.14 cents Canadian per pound.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Irish Free State Increased Duties on Dishes and Toys

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, effective January 18, the Irish Free State imposed a customs duty of 50 per cent ad valorem, or if greater 30s. per cwt., on dishes, sugar basins, slop basins, jugs, and tea and coffee pots (other than toys) made wholly or mainly of clay, and which have been subjected to a process of glazing. These articles were formerly dutiable at 30s. per cwt.

A customs duty of 50 per cent ad valorem, or 1s. per article, whichever is the greater, has also been imposed on every toy imported on or after January 18, 1936, which exceeds 9d. in value, and is made wholly or mainly of wood, or is a soft toy not made of rubber. The former duty of 50 per cent ad valorem applied only to wooden toys, whereas the new duty specifies an alternative rate, and extends the scope to include soft toys not made of rubber.

South Africa Imposes Dumping Duty on United Kingdom Rubber Hose

Mr. G. R. Heasman, Canadian Trade Commissioner, Cape Town, cables on February 1, 1936, that the Union of South Africa has imposed a dumping duty on imports of rubber hose from the United Kingdom.

British Guiana Entry Tax Continued

An ordinance by the Governor in Council of British Guiana, assented to on December 5, 1935, continues until December 31, 1936, the bill of entry tax of 3 per cent ad valorem which is imposed on goods imported into British Guiana with the exception of articles for government use and those named in the third schedule of the customs tariff.

Shipments to Egypt via Italy Require Certificate of Origin

Mr. Yves Lamontagne, Canadian Trade Commissioner in Cairo, Egypt, writes on January 13, 1936, that he was advised by the Director General of the Egyptian Customs Administration that as a general rule certificates of origin are not required by the customs authorities for imports into Egypt, but that on certain occasions, however, the importer may be asked to present the certificates if this is deemed necessary. The Director General advised that as Egypt had put into force economic sanctions against Italian imports and exports, it was necessary to request certificates of origin for goods shipped to Egypt via Italy or its colonies. Therefore all imports into Egypt in transit through Italy or its colonies must be accompanied by a certificate of origin bearing an Egyptian consular visa, but in view of the fact that there are no Egyptian consulates in Canada, the visa of a chamber of commerce in Canada will be accepted in lieu of the consular visa.

United States—Switzerland Trade Agreement

The United States and Switzerland signed at Washington on January 9, 1936, a trade agreement granting each other unconditional and unrestricted most-favoured-nation treatment. The agreement, which was the tenth to be concluded by the United States, goes into effect on February 15, 1936, as regards tariff concessions, minimum quotas, and all other provisions except the ratification clause (Article XVIII), and the whole agreement thirty days after the exchange at Berne of the instruments of approval and ratification. It shall continue in force until February 14, 1939, subject to usual provisions respecting quantitative restrictions, monopolies, and wide variations in the rate of exchange, and thereafter unless terminated upon six months' notice.

Concessions by the United States to Switzerland consist of duty reductions on fifty-nine commodities (one-half of which affect watches and clocks), and the remainder chiefly textile specialties, coal tars and dyes, machinery, tools, and aluminium, and the guarantee of the continuance of existing rates on three items of the dutiable list and one of the free list.

Under this agreement Switzerland reduces the present duties on ten commodities, and as Canada has a most-favoured-nation treaty with Switzerland these reductions will apply equally to Canadian products. Those of interest to Canada are:—

	Former Rate	New Rate
Sardines (pilchards) and herrings in tomato sauce; preserved salmon; in containers of all kinds weighing 3 kilos or less	per 100 kg. 20 frs.	10 frs.
Preserved fruits of all kinds, except peel of citrus fruits candied or preserved in sugar	per 100 kg. 55 frs.	45 frs.
Preserved shrimps	per 100 kg. 90 frs.	50 frs.
Wallboards of vegetable fibre, regardless of conditions or size	per 100 kg. 20 frs.	15 frs.
Typewriters and parts thereof	per 100 kg. 500 frs.	400 frs.
Cash-registers, registering accounting machines, and parts	per 100 kg. 100 frs.	80 frs.
Calculating machines and parts thereof weighing more than 20 and not more than 100 kg.	per 100 kg. 600 frs.	450 frs.
(One kilogram equals 2.204 pounds. Swiss franc at par equals 19.3 cents Canadian and about 32.6 cents at present rate of exchange)		

Switzerland also undertakes to guarantee the continuance of existing rates of duty on nineteen products, including Douglas fir, cotton, rice, sausage casings, artificial abrasives, office machinery, passenger automobiles, automobile tires, and hosiery of natural silk.

Switzerland also grants the United States increased quotas on nineteen products, including wheat, rice, fresh apples and pears, dried fruits, preserved vegetables, lard, softwood, wallboards, automobiles, tires, silk hosiery, electric refrigerators, radios, and petroleum products.

Swedish Flour-milling Regulations

Mr. J. A. MacDonald, Acting Trade Commissioner in Oslo, Norway, writes under date January 15, 1936, that, according to a Swedish official announcement dated December 20, 1935, and covering the two months' period beginning January 1, 1936, Swedish flour mills which are members of the Grain Association and have signed an agreement with the Government to purchase local grain at fixed prices are allowed to import 20 per cent foreign wheat. For short periods and for special lots they can use 30 per cent imported wheat, as long as over the two months' period the average percentage is not over 20 per cent. (Nearly all the mills belong to the association and have signed this agreement.)

The import of wheat flour for bread-making purposes is still effectively prohibited.

The situation is unchanged from the previous two months' milling period.

Belgian Import Tax on Wheat

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, writes that a Belgian royal decree, effective January 16, discontinues the practice of fixing the rate of the licence fee for the importation of foreign wheat into Belgium every month (see *Commercial Intelligence Journal* No. 1647, August 24, page 312), and fixes, until further notice, this fee at the present rate of 10 francs per 100 kilograms (about 9 cents per bushel).

Cuban Minimum Tariff Accorded to Certain Countries

Mr. S. G. MacDonald, Acting Trade Commissioner at Havana, reports that a Cuban decree law published in the official *Gazette* of December 27, 1935, extends the minimum tariff until March 1, 1936, to Germany, Denmark, Czechoslovakia, Switzerland, and the Belgo-Luxemburg Economic Union. Under a Cuban law of March 15, 1935, the tariff applicable to any country depends on its trade balance with Cuba for the previous year, and it was estimated that some two months in 1936 must elapse before complete statistics of the trade of 1935 are available. The minimum tariff had been granted for 1935 to the aforementioned countries. This action was ratified by a decree of November 28, which authorized minimum tariff treatment in the case of countries which during 1935 had pledged themselves to import Cuban goods during that year representing a value of at least 50 per cent of the imports into Cuba from those countries.

Curacao Tariff Changes

The Netherlands Ministry of Colonies, The Hague, advises that, effective December 1, 1935, some amendments have been made in the Curacao tariff. Hay, cotton seed, cotton seed kernels and meal, bran from wheat and maize, as well as mixtures thereof, obviously destined for animal feed, formerly dutiable at 3 per cent ad valorem as "unenumerated goods," are exempted from import duty. The rate on charcoal has been increased from 0.25 florin per 25 kilogs. (31 cents per 100 pounds) to 0.50 florin per 25 kilogs. (62 cents per 100 pounds), and that on goats and sheep from 0.50 florin (34 cents) to 1 florin (68 cents) per animal.

The tariff of Curacao (Netherlands West Indies) is applicable to the islands of Curacao, Aruba, Bonaire, Saba, Saint Eustache, and Saint Martin.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEBRUARY 3

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending February 3, 1936, with the official bank rate. Quotations for the week ending January 27, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 27	Nominal Quotations in Montreal Week ending Feb. 3	Official Bank Rate
Austria	Schilling	.1407	\$.1885	\$.1892	3½
Belgium	Belga	.1001	.1701	.1702	2
Bulgaria	Lev	.0072	.0136	.0139	6
Czechoslovakia	Krone	.0296	.0417	.0418	3
Denmark	Krone	.2680	.2225	.2232	3½
Finland	Markka	.0252	.0220	.0219	4
France	Franc	.0392	.0665	.0667	4
Germany	Reichsmark	.2382	.4054	.4062	4
Great Britain	Pound	4.8666	4.9862	5.0125	2
Greece	Drachma	.0130	.0095	.0095	7
Holland	Guilder	.4020	.6841	.6847	2½
Hungary	Pengo	.1749	.2970	.2974	4
Italy	Lira	.0526	.0801	.0802	5
Jugo-Slavia	Dinar	.0176	.0231	.0232	5
Norway	Krone	.2680	.2505	.2512	3½
Portugal	Escudo	.0442	.0452	.0448	5
Roumania	Leu	.0060	.0080	.0080	4½
Spain	Peseta	.1930	.1378	.1381	5
Sweden	Krona	.2680	.2569	.2576	2½
Switzerland	Franc	.1930	.3276	.3283	2½
United States	Dollar	1.0000	.9962	.9959	1½
Poland	Zloty	.1122	.1898	.1905	5
Argentina	Peso (Paper)	.4245	.3321	.3330	—
Brazil	Milreis (Paper)	.1196	.0841	.0843	—
Chile	Peso	.1217	.0508	.0508	4½
Colombia	Peso	.9733	.5741	.5740	4
Mexico	Peso	.4985	.2767	.2766	4-5
Peru	Sol	.2800	.2478	.2478	6
Venezuela	Bolivar	.1930	.2550	.2639	—
Uruguay	Peso	1.0342	.7983	.8005	—
China (Shanghai)	Dollar	—	.2967	.2965	—
Cuba	Peso	1.0000	.9955	.9951	—
Hongkong	Dollar	—	.3266	.3262	—
India	Rupee	.3650	.3762	.3770	3
Japan	Yen	.4985	.2912	.2918	3.65
Java	Guilder	.4020	.6874	.6882	4
Siam	Baht (Tical)	.4424	.4572	.4574	—
Straits Settlements	Dollar	.5678	.5828	.5847	—
South Africa	Pound	4.8666	4.9800	5.0062	—
British Guiana	Dollar	1.0138	1.0387	1.0437	—
Jamaica	Pound	4.8666	4.9975	5.0225	—
Other British West Indies	Dollar	1.0138	1.0387	1.0437	—
Martinique	Franc	.0392	.0665	.0667	—
Guadeloupe	Franc	.0392	.0665	.0667	—
Australia	Pound	4.8666	3.9887	4.0100	—
Egypt	Pound (100 Piastres)	4.9431	5.1100	5.1200	—
New Zealand	Pound	4.8666	4.0212	4.0425	—
Argentina	Free	Free	.2750	.2749	—
Brazil	Free	Free	.0553	.0568	—
Chile	Free	Free	.0408	.0408	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Interest in exchange markets during the final week of January centred round the United States dollar and the French franc. Earlier weakness in the latter was overshadowed by declines in the dollar, which caused New York rates on the franc to rise to the gold export point on February 1. A few days before, the latest statement of the Bank of France indicated the recent loss of about \$68,000,000 in gold. Montreal rates on New York funds showed little change during the week, but quotations on the £ and the franc advanced further. Rates at Montreal on February 1 were \$4.9952 for sterling and 6.67 cents for the franc, while New York funds were quoted at a discount of 0.22 per cent.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—
Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency.
Foodstuffs—			
Dried fish for sale in Mediterranean Countries.	72	Edinburgh, Scotland.....	Agency.
Canned and Packaged Food Products, Dried or Evaporated Fruits.	73	Edinburgh, Scotland.....	Agency.
Cereal Foods.....	74	Edinburgh, Scotland.....	Agency.
Miscellaneous—			
Alfalfa Meal.....	75	Dublin, Irish Free State..	Purchase.
Transparent Wrapping Paper (Cellulose).	76	Sydney, Australia.....	Agency.
Rubber Thread.....	77	Brussels, Belgium.....	Agency.
Cereal Drying Machinery.....	78	Buenos Aires, Argentina...	Purchase and Agency.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To Liverpool.—Montclare, Feb. 8; Duchess of Atholl, Feb. 15; Montcalm, Feb. 22; Duchess of Bedford, Feb. 29—all Canadian Pacific; Andania, Feb. 9; Antonia, Feb. 23—both Cunard-White Star Line; Incemore, Feb. 18; Newfoundland, March 7—both Furness Line; Manchester Exporter, Manchester Line, Feb. 21; Winona County, Oriole Line, Feb. 27.

To London.—Beaverford, Feb. 14; Beaverhill, Feb. 21; Beaverdale, Feb. 28; Beaverburn, March 6; Beaverbrae, March 12—all Canadian Pacific; Ascania, Feb. 15; Aurania, Feb. 22; Ausonia, Feb. 29; Alaunia, March 7—all Cunard-White Star Line; McKeesport, Feb. 17; Liberty, March 3—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Citizen, Feb. 8; Manchester Brigade, Feb. 15; Manchester Exporter, Feb. 21; Manchester Producer, Feb. 29; Manchester Commerce, March 7; Manchester Port, March 14—all Manchester Line; Winona County, Oriole Line, Feb. 27.

To Aberdeen, Newcastle and Hull.—Gitano, Feb. 18; Kelso, March 11—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—New York City, Feb. 8; Bristol City, March 3—both Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnesk, Feb. 10; Cairnglen (calls at Dundee), Feb. 24; Cairnross, March 9—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Feb. 17; Dakotian, March 16—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Norwegian, Feb. 17; Airthria, March 2; Dakotian, March 16—all Donaldson-Atlantic Line.

To Antwerp.—Beaverhill, Feb. 21; Beaverburn, March 6; Beaverbrae, March 13—all Canadian Pacific.

To Hamburg.—McKeesport, Feb. 17; Liberty, March 3—both American Hampton Roads (call at Hull and Leith); Beaverdale, Canadian Pacific, Feb. 28.

To Copenhagen, Gothenburg and Baltic Ports.—Rydboholm, Feb. 17; Blankaholm, March 9—both Swedish-America-Mexico Line; Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, Feb. 17.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., Feb. 10; Fort Amherst, Furness-Red Cross Line, Feb. 17; Incemore (does not call at St. Pierre), Furness Line, Feb. 18; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Feb. 19.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Feb. 13; Lady Nelson, Feb. 27; Lady Hawkins, March 12—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Feb. 17 and March 9.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, Feb. 6; Lady Rodney, Feb. 20—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, Feb. 12; Ba, Feb. 26—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Feb. 22; Chomedy, March 7—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston (Jamaica) and Port au Prince (Haiti).—Cathcart, Feb. 12; Cavalier (does not call at Port au Prince), Feb. 27—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Siamese Prince, Feb. 14; Silvertank, Feb. 28; Cingalese Prince, March 20—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Challenger, Feb. 28; Canadian Constructor, March 27—both Canadian National.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Victor, Feb. 28; Canadian Highlander, March 27—both Canadian National.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, February.

From Saint John

To Liverpool.—Duchess of Atholl, Feb. 14; Montcalm, Feb. 21; Duchess of Bedford, Feb. 28; Montclare, March 6—all Canadian Pacific.

To London.—Beaverford, Feb. 13; Beaverhill, Feb. 20; Beaverdale, Feb. 27; Beaverburn, March 5; Beaverbrae, March 12—all Canadian Pacific.

To Manchester.—Manchester Brigade, Feb. 13; Manchester Exporter, Feb. 19; Manchester Producer, Feb. 27; Manchester Commerce, March 5; Manchester Port, March 12—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Feb. 15; Dakotian, March 14—both Donaldson and Dominion Lines.

To Glasgow.—Norwegian, Feb. 15; Airthria, Feb. 29; Dakotian, March 14—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk, Feb. 8; Cairnglen (calls at Dundee), Feb. 22; Cairnross, March 7—all Cairn-Thomson Line.

To Dublin and Belfast.—Melmore Head, Feb. 13; Dunaff Head, Feb. 25—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—A steamer, Canada-Mediterraneo Line, February.

To Antwerp and Havre.—Beaverhill, Feb. 20; Beaverburn, March 5; Beaverbrae, March 12—all Canadian Pacific (do not call at Havre); Brant County (calls at Rotterdam), Feb. 12; Grey County, March 16—both County Line.

To Hamburg.—Beaverdale, Canadian Pacific, Feb. 27.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Feb. 19; Lady Hawkins, March 4—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Feb. 12 and March 3.

To Kingston and Jamaican Outports.—A steamer, United Fruit Line, Feb. 19.

To Manila, Hongkong, Shanghai and Dalny.—City of Singapore, Canada-Far East Line, Feb. 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—Kalimba, Feb. 10; Grangepark (does not call at Beira), Feb. 18—both Elder-Dempster Line.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Evansville, Canada-India Service, Feb. 28.

To Montevideo and Buenos Aires.—Gausdal (does not call at Montevideo), International Freighting Corp., Feb. 10; Nordkap, Canada-South America Line, Feb. 26.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, Feb. 15; Hikawa Maru, Feb. 29; Hiye Maru, March 14—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), Feb. 8; Empress of Asia (calls Nagasaki), Feb. 22; Empress of Canada (calls Honolulu), March 7; Empress of Russia (calls Nagasaki), March 21—all Canadian Pacific; Talthybius (calls at Miike but not at Manila), Blue Funnel Line, March 8.

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—A steamer, Feb. 29; Kota Agoeng, March 31—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Niagara, Canadian-Australasian Line, Feb. 26.

To Auckland, Wellington, Melbourne and Sydney.—Golden Coast, Feb. 13; Golden Bear, March 14—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Limerick, Canadian-Australasian Line, March 4 (calls at Apia and New Plymouth).

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Roxen, Empire Shipping Co., Feb. 15.

To London, Liverpool and Cardiff.—Atlantic City, Reardon Smith Line, Feb. 10.

To London, Liverpool and Rotterdam.—Delftdyk (calls at Glasgow), Feb. 8; Nebraska, Feb. 22; Lochmonar (calls at Glasgow), March 7—all Holland-America Line (call at Southampton if inducements offer).

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, Feb. 18; India (does not call at Kingston), Mar. 12—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Jose, Empire Shipping Co., Feb. 24.

To Scandinavian Ports.—A steamer, Johnson Line, February.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, Feb. 22; Fella, March 23—both Empire Shipping Co.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Harpalion, Feb. 18; Brynje, March 30—both Canadian Transport Co.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Tabian, March 9; Silverwillow, April 6—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Leikanger, Feb. 17; Hardanger, March 17—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Pacific Ranger (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., Feb. 11; Gothic Star (calls at Glasgow, Newcastle and Rotterdam), American Mail Line Ltd., Feb. 15; Ensley City (calls at Avonmouth), B. W. Greer & Son Ltd., Feb. 18; Moveria (calls at Glasgow), Balfour Guthrie & Co., Feb. 19; Nebraska (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Feb. 23; Knute Nelson (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Feb. 27.

To United Kingdom Ports.—Chris Knudsen, Feb. 14; Mount Atlas, Feb. 17; Rossington Court, Feb. 21—all Anglo-Canadian Shipping Co.; Geo. M. Embricos, Canadian Transport Co., Feb. 15.

To Shanghai.—Nordbard, Ocean Shipping Co., Feb. 8.

To Japanese Ports.—Denmark Maru, Yamashita Shipping Co., Feb. 10.

To Brisbane, Sydney, Newcastle, Melbourne and Adelaide.—Roxen, Empire Shipping Co., Feb. 10.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: RICHARD GREW, Trade Commissioner. Address for letters—P.O. Box 230, Kobe Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Beursplein 26B, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address Canadian.*

Norway

ACTING TRADE COMMISSIONER, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, February 15, 1936

No. 1672



Canadian Codfish being unloaded from a Lighter in Port of Spain Harbour by a Hand-operated Crane.

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, February 15, 1936

No. 1672

INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners, resident in territories where exchange control is in force, are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

REVIEW OF CONDITIONS IN THE UNITED KINGDOM IN 1935*

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

III

Imports from Canada

The returns of United Kingdom commerce in 1935 which are now available do not deal exhaustively with every branch of trade. The details which they provide concerning the movements of commodities are confined necessarily to the major items which comprise the country's trade. The complete analysis will not be published until the end of 1936.

It is nevertheless possible, from the information assembled, to review the course of trade in the most important classes of merchandise which are exchanged between Canada and the United Kingdom. As has been already stated in that part of this report which relates to general trade conditions, published in our last issue, imports from Canada into the United Kingdom were broadly considered, well maintained during 1935, and in the majority of articles definitely increased.

NOTES ON THE IMPORT COMMODITIES

Wheat.—A further contraction took place in total wheat imports. In 1935 101,226,546 cwts. were brought in compared with 102,625,344 cwts. in 1934. The subsidy granted to English wheat-growers has undoubtedly exercised a continu-

* The first part of this report, on industrial and financial conditions, was published in No. 1670; the second, on overseas trade, in No. 1671.

ously depressing influence on purchases from abroad. It is satisfactory that, in spite of this, Canadian shipments exhibited a growth of from 35,702,970 cwts. in 1934 to 36,897,875 cwts. in 1935. Incidentally, this increase was due to a spurt in deliveries during the last quarter of the year. The Argentine, which threatened in 1934 to challenge Canada's supremacy in Britain's wheat business, lost considerable ground in the year under review. Her supplies in that year amounted to 22,751,126 cwts., a fall of some 30 per cent in quantity. Upon the other hand, Soviet Russia's sales to this country, at 6,904,110 cwts., were more than treble those of the previous year.

Barley.—In barley also there is reason to be well satisfied. Total imports rose from 15,476,301 cwts. to 17,107,118 cwts., and Canada's share from 1,369,954 cwts. to 2,320,582 cwts. The most spectacular feature of the returns is the rise of the Soviet Union to the top of the list of suppliers with 6,214,670 cwts.

Oats.—The Dominion in 1935 enjoyed a virtual monopoly of the trade in oats. In 1934 Canada sent 1,941,102 cwts. and in 1935 3,321,759 cwts. out of an aggregate of 3,553,526 cwts. As in the case of oats, Canada is supreme in the rolled oats trade. Her consignments, however, dropped from 402,704 cwts. in 1934 to 375,887 cwts. in 1935.

Flour.—Considering the fact that Great Britain cut down her purchases of overseas flour to 7,980,714 cwts. from 9,447,139 cwts. in 1934, and bearing in mind the extremely competitive nature of the business under present conditions, the maintenance of Canadian flour imports at a level of 4,224,805 cwts., or more than half the total, is a tribute to the efficiency of Canadian millers and their determination to retain their United Kingdom customers.

Cattle.—A sharp reduction from 51,373 to 6,478 head took place in the number of Canadian cattle for food purposes forwarded to this country. The Irish Free State enjoyed better conditions, and was able to dispose of 592,632 as against 458,164 head in 1934.

Bacon.—Imports from foreign countries have been controlled with the object of fostering the domestic industry, and in accordance with this policy total arrivals shrank still further, from 7,598,262 cwts. to 6,925,654 cwts. The quantity received from Canada continues to rise, although in less striking fashion. Some 917,883 cwts. were credited to the Dominion in 1935, against 894,284 cwts. in 1934. Canada now comes second, after Denmark, in the rank of suppliers of this commodity. Denmark shipped 3,826,386 cwts. in 1935.

Butter.—Canada reappeared in the United Kingdom butter trade, but only to an insignificant extent. Britain received from overseas last year 9,608,620 cwts. valued at £39,337,657. New Zealand, Denmark, and Australia got the bulk of this business, and against their contributions, which amounted in each case to more than 2,000,000 cwts., the Dominion's share was only 63,463 cwts.

Cheese.—In cheese it is necessary to repeat the story of reduced imports from Canada. The Dominion's exports to this country further contracted in 1935 to 469,331 cwts. valued at £1,233,560. New Zealand contributed to the extent of 1,763,090 cwts (£4,198,400).

Fish.—Canadian frozen salmon is growing in favour among United Kingdom consumers. There was a rise of 30 per cent compared with 1934 to a total of 70,179 cwts. valued at £248,514. In canned salmon there was little change in total supplies, but entries from the Dominion were 17,760 cwts. greater. The canned lobster trade, which is practically a Canadian monopoly, also remained unaltered.

Apples.—Canada retained the leadership among countries catering to the apple trade. Arrivals from the Dominion in 1935 were 2,763,027 cwts., or 273,813 cwts. above the 1934 figure. At the same time total imports, at 7,272,255

cwts., increased by 1,380,092 cwts. The United States met the deficiency by supplying over 1,000,000 cwts. in excess of 1934.

Tobacco.—A slight falling off was evident in the aggregate deliveries from all sources of leaf tobacco, stripped. Of the total in 1935 of 42,115,771 pounds Canada contributed 558,737 pounds. In leaf tobacco, unstripped, there was an all-round increase of 7 per cent. Canada is credited with 6,517,700 pounds out of a total of 209,566,373 pounds.

Wood and Timber.—Imports of sawn softwoods into the United Kingdom during 1935 were on a smaller scale than in 1934, the respective figures being 5,553,063 loads (£17,415,281) and 6,297,494 loads (£21,716,397). The reason for this contraction was not a drop in consumption, because, as has already been reported, building requirements were heavier than ever. The cause was the excessive importations of 1934, plus the large carry-over at the beginning of the 1935 season. Canadian softwood lumber shipments fell in sympathy from 1,081,093 loads (£3,696,080) to 764,496 loads (£2,751,443). Upon the other hand, the Soviet's supplies went up from 1,258,266 loads to 1,402,369 loads. The money returned declined, however, from £4,746,921 to £4,619,395.

The situation was different in hardwoods, shipments from Canada increasing from 6,556 loads (£683,849) to 7,631 loads (£786,350).

Pulp and Paper.—Among paper-making materials, Canada doubled her shipments of mechanical wet wood-pulp, although the quantity, 32,607 tons, represented a mere fraction of the total, 1,210,695 tons.

Recovery was apparent in imports of Canadian newsprint, and Dominion supplies in 1935 (2,090,881 cwts.) were only exceeded by Newfoundland. Canadian manufacturers of cardboard and millboard are obviously to an increasing extent exploiting the United Kingdom market for their products. Shipments from Canada now amount to 535,488 cwts. valued at £355,003, an increase of 20 per cent.

Metals.—Canada completely dominates the United Kingdom import trade in aluminium ingots, blocks, slabs, etc. The trade, moreover, has shown a remarkable recovery. Of the total of 363,449 cwts. brought in, 303,591 cwts. were of Canadian origin. The relative figures in 1934 were 284,432 cwts. and 231,004 cwts.

The Dominion also heads the list in electrolytic unwrought copper, furnishing 69,895 tons (£2,491,736) out of 152,776 tons (£5,329,783).

In pig lead Canada's shipments increased in harmony with the general tendency. Entries from the Dominion in 1935 amounted to 84,070 tons (£1,155,124). Purchases of zinc from Canada moved upward by 27 per cent to 97,249 tons valued at £1,452,395. The Dominion, in fact, is seen to have benefited materially from the activity in the non-ferrous metal trades. In the general classification of non-ferrous metals and manufactures the Dominion is far and away the most important contributor, with a total value of £8,302,072. This represents a rise of some 30 per cent over 1934, and 30 per cent of the aggregate imports under this category.

Patent Leather.—With more active conditions in the domestic shoe trade, the volume of Canadian patent leather rose by some 30 per cent to 12,218 cwts. (£324,178).

Rubber Footwear.—In rubber footwear Canadian manufacturers fully maintained their position. In the rubber boots class, 1935 imports from Canada were 115,865 dozen pairs against 98,266 dozen pairs in 1934; and in tennis shoes the relative figures were 167,275 dozen pairs and 166,266 dozen pairs. A feature of this trade is the closing of the market to Japan through high duties, and the emergence of Hongkong as the principal supplier with 199,362 dozen pairs.

Comparative statistics are appended, showing as far as possible total imports and the leading sources of supply in 1934 and 1935 of commodities which are of principal interest to Canada.

IMPORTS OF CERTAIN AGRICULTURAL PRODUCTS AND RAW MATERIALS, ETC., INTO THE UNITED KINGDOM DURING THE CALENDAR YEARS 1934 AND 1935

	1934		1935	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
<i>Wheat—</i>				
Total imports	102,625,344	27,611,902	101,226,546	30,464,222
Canada	35,702,970	11,366,573	36,897,875	12,838,378
Australia	21,658,112	5,850,444	17,697,807	5,374,169
Argentina	35,081,038	8,188,171	22,751,126	6,042,511
United States	131,424	28,089	593,029	160,985
Soviet Union	2,095,212	439,192	6,904,110	2,192,098
<i>Oats—</i>				
Total imports	3,210,213	763,806	3,553,526	1,038,288
Canada	1,941,102	542,433	3,321,759	960,904
Soviet Union	487,392	75,939	.....	.....
Argentina	461,473	80,382	23	5
<i>Barley—</i>				
Total imports	15,476,301	3,893,173	17,107,118	4,180,317
Canada	1,369,954	421,172	2,320,582	601,611
Soviet Union	783,882	139,916	6,214,670	1,198,812
Roumania	1,182,840	247,277	292,667	75,300
United States	2,390,917	803,205	2,381,740	810,785
Australia	581,220	173,021	449,548	136,826
<i>Wheat Meal and Flour—</i>				
Total imports	9,447,139	3,149,365	7,980,714	3,219,704
Canada	4,226,428	1,806,593	4,224,805	2,015,388
Australia	1,926,926	629,336	1,805,639	662,152
United States	128,642	60,890	89,528	48,892
France	1,285,394	279,838	887,839	248,068
<i>Oat Products—</i>				
Total imports	488,567	428,737	378,085	429,048
Canada	402,704	404,937	375,887	427,125
<i>Bacon—</i>				
Total imports	7,598,262	30,047,164	6,925,654	27,400,254
Canada	894,284	3,460,196	917,883	3,503,890
Denmark	4,287,830	17,699,512	3,826,386	15,963,963
Netherlands	607,704	2,434,755	508,669	2,068,858
Irish Free State	367,799	1,143,691	458,423	1,356,014
Poland	463,369	1,719,220	430,456	1,612,082
<i>Hams—</i>				
Total imports	728,273	3,125,058	676,779	3,068,816
Canada	180,717	810,685	190,832	894,083
United States	477,503	2,044,523	419,112	1,909,607
<i>Cattle—</i>	Number		Number	
Total imports	509,537	4,403,155	599,110	4,633,064
Canada	51,373	843,691	6,478	105,151
Irish Free State	458,164	3,559,464	592,632	4,527,913
<i>Butter—</i>	Cwts.		Cwts.	
Total imports	9,695,394	33,271,706	9,608,620	39,337,657
Canada	54	182	63,463	344,012
Denmark	2,485,810	9,557,089	2,186,350	9,966,184
Australia	2,103,366	7,247,039	2,113,650	8,391,009
New Zealand	2,676,794	9,826,193	2,637,535	11,575,756
<i>Cheese—</i>				
Total imports	2,988,539	7,014,517	2,713,322	6,647,341
Canada	520,223	1,290,331	469,331	1,233,560
New Zealand	2,092,044	4,677,375	1,763,090	4,198,400
<i>Apples, Raw—</i>				
Total imports	5,892,163	5,607,584	7,272,255	7,010,682
Canada	2,489,214	1,925,640	2,763,027	2,187,361
United States	1,300,322	1,451,695	2,335,437	2,449,098
Australia	1,526,443	1,628,172	1,527,560	1,791,100
<i>Pears, Raw—</i>				
Total imports	1,008,022	1,400,242	1,276,826	1,686,454
Canada	24,746	29,776	33,212	42,017
United States	457,974	666,585	516,973	767,308
Australia	151,547	207,936	225,320	307,961

*Imports of Certain Agricultural Products and Raw Materials, etc., into the
United Kingdom during the Calendar Years 1934 and 1935—Continued*

	1934		1935	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
<i>Fish, Fresh or Frozen (not of British taking)—</i>				
Total imports	1,774,984	2,499,246	1,873,592	2,548,376
Canada	53,921	205,374	70,179	248,514
Norway	551,243	624,745	738,844	646,796
Denmark	342,613	565,894	324,280	607,697
Irish Free State	34,085	232,716	38,421	235,101
<i>Canned Salmon—</i>				
Total imports	1,164,184	4,440,927	1,035,840	3,885,151
Canada	128,176	672,849	145,936	697,822
Soviet Union	422,831	1,520,486	302,263	1,041,493
United States	356,151	1,151,030	359,423	1,309,849
<i>Canned Lobster—</i>				
Total imports	23,814	296,245	25,015	312,980
Canada	20,306	266,167	21,622	284,226
<i>Tobacco, Unmanufactured, if Stripped—</i>	Lbs.		Lbs.	
Total imports	43,540,231	3,320,473	42,115,771	3,200,786
Canada	583,097	27,481	558,737	36,647
Nyassaland	3,864,378	157,282	2,712,081	105,259
Southern Rhodesia	1,779,289	78,719	1,583,155	68,505
British India	6,810,199	234,429	8,866,667	321,630
United States	30,248,958	2,805,154	27,968,038	2,641,015
<i>Tobacco, Unmanufactured, if Unstripped—</i>				
Total imports	195,334,659	12,402,997	209,566,373	13,185,916
Canada	7,472,165	411,044	6,517,700	443,782
Nyassaland	8,645,277	385,166	7,397,915	371,428
Southern Rhodesia	14,070,751	628,223	13,493,973	556,354
British India	2,988,051	97,564	2,720,197	90,196
United States	158,695,998	10,626,297	174,600,333	11,410,305
<i>Copper Ore—</i>	Tons		Tons	
Total imports	41,330	964,525	33,806	747,150
Canada	28,453	772,087	21,348	620,850
Spain	6,496	143,434	2,672	57,385
<i>Copper, Electrolytic, Unwrought—</i>				
Total imports	110,264	3,680,371	152,776	5,329,783
Canada	56,831	1,895,748	69,895	2,491,736
United States	37,414	1,228,641	51,011	1,731,887
Australia	3,406	118,257	2,210	79,702
<i>Pig Lead—</i>				
Total imports	312,815	3,504,483	316,539	4,440,213
Canada	76,582	858,898	84,070	1,155,124
Australia	163,769	1,838,493	179,387	2,570,135
<i>Zinc, Crude—</i>				
Total imports	130,900	1,954,915	148,019	2,198,246
Canada	76,506	1,147,754	97,249	1,452,395
Australia	10,384	173,340	9,579	149,908
<i>Leather, Varnished, Japanned and Enamelled—</i>	Cwts.		Cwts.	
Total imports	13,664	367,542	18,092	466,587
Canada	9,118	251,953	12,218	324,178
United States	3,610	87,392	3,679	89,819
Germany	690	19,755	1,337	33,458
<i>Rubber Boots and Shoes—</i>	Doz. Prs.		Doz. Prs.	
Total imports	107,251	245,735	128,196	311,409
Canada	98,266	229,393	115,865	279,777
Japan	1,185	1,567	283	553
<i>Rubber Boots and Shoes (if not made to cover the ankle)—</i>				
Total imports	394,553	359,479	388,427	349,808
Canada	166,266	200,013	167,275	192,905
Japan	21,914	11,537	5,728	3,267
Hongkong	171,180	112,467	199,362	131,677
<i>Newsprint in Rolls—</i>	Cwts.		Cwts.	
Total imports	7,440,333	3,570,653	7,425,222	3,505,477
Canada	1,571,292	723,601	2,090,881	942,715
Newfoundland	3,531,702	1,851,299	3,231,593	1,674,685
Finland	1,459,990	603,871	1,375,933	571,534
Sweden	168,698	77,437	206,824	91,365
Norway	659,592	301,698	497,076	216,951

*Imports of Certain Agricultural Products and Raw Materials, etc., into the
United Kingdom during the Calendar Years 1934 and 1935—Concluded*

	1934		1935	
	Quantity Cwts.	Value £	Quantity Cwts.	Value £
<i>Cardboard and Millboard (other than Wallboards)—</i>				
Total imports	2,686,678	1,792,572	2,764,953	1,903,128
Canada	439,447	283,055	535,488	355,003
Finland	481,585	251,260	583,129	298,642
Sweden	601,206	417,807	607,801	436,438
Norway	255,912	180,857	276,463	195,097
Germany	660,912	491,729	591,343	465,454
United States	136,726	81,300	17,826	36,616
<i>Wood and Timber, Sawn, Hard, other than Mahogany, Walnut, Oak, Teak, not Planed or Dressed—</i>				
	1,000 Cu. Ft.		1,000 Cu. Ft.	
Total imports	19,442	2,646,956	20,459	2,676,106
Canada	6,556	683,849	7,631	786,350
United States	6,113	1,005,478	5,245	812,127
Poland	2,288	284,779	1,772	207,326
<i>Wood and Timber, Sawn, Soft, not Planed or Dressed—</i>				
	Loads		Loads	
Total imports	6,297,454	21,716,397	5,553,063	17,415,281
Canada	1,081,093	3,696,080	764,496	2,751,443
Soviet Union	1,258,266	4,746,921	1,402,369	4,619,395
Finland	1,722,419	5,686,207	1,694,472	4,711,340
Sweden	894,840	2,969,257	679,160	1,973,559
Poland	590,468	1,849,253	426,051	1,226,903
United States	134,938	828,371	126,709	830,880
<i>Wooden Railway Sleepers of all Kinds—</i>				
Total imports	302,539	936,096	268,619	852,048
Canada	21,482	72,303	45,008	139,926
Soviet Union	74,285	185,081	63,877	166,966
Latvia	100,489	313,435	56,406	177,088
Poland	101,695	349,427	98,134	350,265
<i>Pulp of Wood, Mechanical, Wet—</i>				
	Tons		Tons	
Total imports	1,249,457	2,973,474	1,210,695	2,688,832
Canada	16,975	44,185	32,607	93,628
Sweden	333,366	803,437	368,901	828,388
Finland	345,894	797,840	430,803	909,173
Norway	548,373	1,316,739	372,101	845,185
<i>Aluminium and Aluminium Alloys—</i>				
	Cwts.		Cwts.	
Total imports	284,432	1,154,343	363,449	1,573,667
Canada	231,004	939,652	303,591	1,313,230
Switzerland	40,580	170,433	48,563	211,911
Norway	3,609	10,052	5,806	26,061

IV

British Exports to Canada

The trade report upon which this review is based gives preliminary particulars of the chief United Kingdom exports, and in certain cases of the countries of destination. With a view to giving an idea of the progress of sales of United Kingdom merchandise in Canada, a table has been prepared and is reproduced below giving the total exports and the amounts consigned to Canada of some of the most important articles which enter into the commerce of both countries. Comparative returns for 1934 are also given:—

	1934		1935	
	Quantity Tons	Value £	Quantity Tons	Value £
<i>Coal—</i>				
Total exports	39,659,880	31,854,490	38,714,134	31,558,566
Canada	1,746,707	2,106,023	1,667,818	1,907,190
<i>Pottery, Glass, Abrasives, etc.—</i>				
Total exports . . . . .	.....	7,734,103	.....	8,307,312
Canada . . . . .	.....	813,891	.....	862,522
<i>Iron and Steel and Manufactures Thereof—</i>				
Total exports	2,250,527	35,092,053	2,371,914	37,093,242
Canada	147,609	2,593,788	158,843	2,874,815

	Quantity Tons	1934 Value £	Quantity Tons	1935 Value £
<i>Non-ferrous Metals and Manufactures Thereof—</i>				
Total exports		11,889,802		14,085,471
Canada		308,722		373,711
<i>Cutlery, Hardware, Implements and Instruments—</i>				
Total exports		7,406,883		8,126,960
Canada		338,616		403,331
<i>Machinery—</i>				
Total exports	335,030	32,806,350	380,701	38,495,459
Canada	5,620	809,781	6,393	846,456
<i>Woollen and Worsted Yarns and Manufactures—</i>				
Total exports		28,848,552		30,379,149
Canada		2,989,412		3,098,729
<i>Cotton Manufactures (except Apparel and Embroidery)—</i>				
	1,000 Sq. Yds.		1,000 Sq. Yds.	
Total exports	1,993,520	39,820,026	1,949,112	39,539,056
Canada	63,822	1,179,218	59,892	1,234,910
<i>Silk Yarns and Manufactures—</i>				
Total exports		1,058,073		1,142,381
Canada		39,271		43,569
<i>Manufactures of other Textile Materials—</i>				
Total exports		15,607,248		15,737,434
Canada		1,493,063		1,412,393
<i>Apparel—</i>				
Total exports		10,909,701		10,830,554
Canada		499,592		545,698
<i>Chemicals, Drugs, Dyes and Colours—</i>				
Total exports		19,556,545		20,420,133
Canada		1,221,818		1,182,827
<i>Leather and Manufactures Thereof—</i>				
Total exports		3,355,034		4,016,028
Canada		210,700		301,923
<i>Paper, Cardboard, etc.—</i>				
Total exports		6,276,112		6,623,606
Canada		238,536		245,234
<i>Vehicles (including Locomotives, Ships and Aircraft)—</i>				
Total exports		24,142,155		28,332,128
Canada		219,122		334,699
<i>Miscellaneous Articles, Wholly or Mainly Manufactured—</i>				
Total exports		22,565,639		24,629,964
Canada		1,035,632		1,128,620

NOTES ON THE EXPORT COMMODITIES

While coal exports to Canada declined somewhat, British pottery manufacturers evidently took advantage of the more favourable situation to extend their business, and an increase of 10 per cent in volume resulted.

Canada was one of the most active markets last year for United Kingdom iron and steel products, absorbing some 11,000 tons more than in 1934. Larger orders were also secured by United Kingdom firms doing business in Canada in non-ferrous metals and manufactures, cutlery, machinery, cottons, silks, apparel, paper and cardboard, and vehicles.

In woollens Canada was the second most important outlet for English and Scottish mills, and the value of the trade (£3,098,729) was £109,307 above that of the previous year.

A striking advance of nearly 30 per cent occurred in leather. Canada took no less than £301,923 worth of British products under this classification.

Exceptionally, slight reductions were recorded in the value of chemicals, and textiles made from materials other than cotton, wool, and silk.

It is clear that there is scope in the Canadian market for United Kingdom producers who adapt themselves to the conditions, and that British manufacturers shared in the benefits arising from the improved consumptive power of the Dominion in 1935.

SILK HOSIERY TRADE IN LONDON

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 22, 1936.—In the past few years Canada has obtained an increasing share of the British importations of pure silk hosiery. This is due, in part at least, to the preferential import duty accorded the Canadian product, whereby the Empire product is charged a duty of 36 $\frac{1}{9}$ per cent ad valorem as compared with a duty of 43 $\frac{1}{3}$ per cent on foreign hosiery. It is also true that Canadian silk hosiery enjoys favour in the British market because of its quality and, in particular, because of its elasticity as compared with the bulk of the domestic product.

It should be noted that pure silk hosiery forms but a small part of the total importations of hosiery; in fact, it accounts for only from 10 to 15 per cent of the total. Hosiery of artificial silk, mainly from Germany, and of cotton, mainly from Japan and Germany, make up the bulk of the trade; Canadian manufacturers cannot compete.

IMPORTATIONS OF SILK HOSIERY

Detailed statistics of importations in 1934 and 1935 are not yet available, but information from the trade indicates a considerable increase over the figures for 1933 when imports totalled 64,746 dozen pairs valued at £99,788. Canada's share in 1933 amounted to 24,027 dozen pairs valued at £39,408. It may be assumed with a fair degree of assurance that the total in 1935 approximated 150,000 dozen pairs; the Dominion probably provided well on to one-half of the total. Importations of men's silk hose are practically negligible, and it may be assumed that the above figures apply solely to women's silk hose.

DOMESTIC PRODUCTION

There was but little production of pure silk hosiery in the United Kingdom until 1925. No official figures of total domestic production are available since those for 1930. In that year production of all kinds of silk hose totalled 1,006,000 dozen pairs valued at £2,218,000; the total includes hose wholly or in major part of silk and for men, women, and children. Domestic manufacture controlled about 88 per cent of the market in 1930.

Probably four-fifths of the domestic production is in seamless or circular hose and the remaining fifth is full-fashioned. But of that one-fifth it is estimated that about three-quarters is of 42-gauge or coarser. In other words, only about 5 per cent of the total production of women's silk hosiery is of the finer grades of full-fashioned. Herein lies the opportunity for Canadian manufacturers, an opportunity which may be expected to continue as long as local production remains inadequate to the demand.

TYPE IN DEMAND

Full-fashioned women's silk hosiery is the only line in which Canadian manufacturers can expect to compete successfully. Some importers limit their range to plain straightforward types, but others consider that advantageous sales are best effected by the addition of some special sales point which differentiates one man's product from another. It has been found from experience that some exclusive feature, such as the decorated heel, the swagger toe, a fancy top, shading of colour, etc., commands a better price and larger sales, as long as it is new. Such features must be additions only and not complete changes; there were quite heavy losses in openwork net stockings.

WEIGHTS AND SIZES

As weight per dozen does not affect the costs of importing, it is of relatively small importance. While 42-gauge stockings find sale, the most popular types are 45-gauge, 3- and 4-thread; 48-gauge, 2-, 3-, and 4-thread; and 51-gauge, 2- and also 3-thread. The 3-carrier or "ringless" type is in demand. It has been found that of every ten dozen pairs, about one dozen are size 8½, three dozen are size 9, four dozen are size 9½, and two dozen are size 10.

SUB-STANDARDS

Sub-standard stockings can be sold if they show a definite saving. Some buyers expect all the sub-standards developed from their orders and other dealers expect a definite percentage. This only applies when the price advantage is of interest. Arrangements concerning sub-standards are generally made to suit each specific case.

QUOTATIONS AND TERMS

Practically all buyers demand quotations in pounds sterling inclusive of all expenses to English port of entry; some will not buy except on quotations delivered warehouse. Terms are usually 60 days sight draft or 30 days sight merchandise (after arrival). Some importers buy outright and others sell on commission while also carrying a small stock, possibly on consignment, for the supply of urgent orders or replacements. Sales on commission often bring the demand for discounts, allowable to bills paid within ten days, or thirty days. Such discounts are expected by the accountant's department of the buyer concerned and, where possible, should be given and allowed for in order to prevent avoidable disagreement.

BRANDS

There is much to be said for the establishment of a brand or trade mark and many sales are made on that basis. At the same time some importers have already established their own mark and prefer to continue sales on that basis, while some retailers prefer no brand or trade mark so that the price advantage of certain localities may be maintained. It is therefore suggested that requests concerning the desirability of a brand be acceded to where possible.

GRAIN AND FLOUR MARKETS IN SCOTLAND IN 1935

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

WHEAT

Glasgow, January 17, 1936.—The importation of Canadian wheat into Scotland has been steadily maintained in 1935, an outstanding feature being the arrival of several large cargoes at Leith and Glasgow during the closing months of the year. The wheat position now seems to indicate better prices; Argentine wheat is held above buyers' ideas of value, and Russia is not a pressing seller. Consequently millers will require to look to Canada and Australia for their supplies until the new crops are available. The outlook for 1936, therefore, seems to be that Scotland will continue to take the bulk of its supplies from the Dominion.

As the following table shows, the total imports of wheat into Scotland, excluding minor rail and coast shipments from England, amounted to 13,765,000 bushels, of which Canada supplied 8,422,000, or 61 per cent, as compared with 64 per cent in 1934, 65 per cent in 1933, 65 per cent in 1932, and 56 per cent in 1931. The only unusual feature revealed by the table is that France was actu-

ally a larger shipper than Argentina, although the latter country is seldom of major consequence in the Scottish market.

Wheat Imports into Scotland, 1933 to 1935

(Excluding Minor Rail and Coast Shipments from England.)

From	1935 Bushels	1934 Bushels	1933 Bushels
Total	13,765,320	11,423,000	13,703,000
Canada	8,422,344	7,387,000	8,982,000
Australia	2,236,668	2,895,000	3,275,000
Argentina	453,130	517,000	354,104
France	615,390	158,356	30,040
Germany	103,040	84,780	260,355
United States	76,488	.....	18,667
Mediterranean and Black Sea ports	277,051	.....	21,093
Russia	294,560	27,063	209,328
Danzig	73,920	14,868	.....
Denmark	3,285	1,251	1,344
Hungary . . . . .	.....	20,929	.....
Poland . . . . .	.....	16,908	.....
Belgium	102,256	.....	.....
Lithuania	93,147	.....	.....

With reference to the above table, it is necessary to point out that stocks on spot at December 31 were unusually heavy, and it is possible that the actual consumption in 1935 did not greatly exceed the quantity milled during the previous year.

CHANGING CONDITIONS AFFECTING CANADIAN WHEAT

It is the opinion here that Canada is fortunate in the development which has recently taken place in the wheat situation. The radical change in conditions in the Argentine, together with the recent declaration of the Government there regarding the price to be paid to the farmers, has assisted materially to effect a striking change in the world statistical position, and it looks as if Canada would be called upon to furnish about 60 per cent of European requirements, almost double what she supplied last year. Australia will also be called upon to furnish a larger quantity than last year, seeing that the exportable surplus from Argentina has been reduced from 40 per cent of the world requirements to only 6 per cent.

All this will probably mean a very much improved trade for importers of Canadian wheat in Glasgow and Leith.

OATS

The importance of the oats crop to Scotland, frequently referred to in reports in this journal, is sufficiently shown by the acreages of the principal crops in 1935: wheat, 100,744; barley, 76,513; oats, 826,908; hay of various sorts, 575,204; potatoes, 131,596; turnips and swedes, 352,175. In 1935 the estimated total production of oats was 681,000 tons as compared with 645,000 in the previous year.

The importance of the home crop and low prices therefor, together with the tariff imposed on foreign oats, have greatly restricted importations. The total quantity imported into Scotland in 1935 was 150,766 cwts., of which Canada supplied 101,475 cwts. or 67 per cent. In 1934 the imports were 57,000 cwts., Canada supplying 18,000 cwts. or 31 per cent; in 1933 the figures were 98,000 cwts., from Canada 17,000 cwts. or 17 per cent.

For the most part, the Canadian business during 1935 was worked during the summer and early autumn when the supply of home-grown oats was nearing exhaustion. The trade in 1936 will probably run on similar lines during next summer, provided Canadian prices are competitive.

BARLEY

Although the total imports of barley into Scotland during the year were not greatly different from those of 1934, the trade in Canadian barley showed a marked increase, practically all the product going to the distillers. The circumstances contributing to this increase, however, may not recur for a very long time. A large business was done in No. 3 Extra Canada Western Six-row.

Imports of Barley into Glasgow and Leith.

	From	1935 Cwts.	1934 Cwts.	1933 Cwts.
Total	1,648,932	1,789,756	1,602,558
Canada	506,219	314,683	160,935
United States	264,977	247,785	312,072
Mediterranean and Black Sea ports	208,242	399,346	414,401
Denmark	125,200	189,700	103,240
Africa	114,740	.....	.....
Russia	99,160	.....	.....
Australia and New Zealand	53,461	90,685	5,241
Danzig	36,820	.....	.....
Belgium	33,400	16,420	138,140
Roumania	26,300	.....	.....
South America	20,364	93,692	75,399
Holland	19,540	.....	.....
Germany	15,480	59,800	36,720

RYE

The total imports of rye into Scotland in 1935 were 83,571 cwts., of which Canada shipped 51,421 cwts. In the previous year the figures were 60,525 and 47,141 cwts. respectively, and in 1933, 89,377 and 77,086 cwts.

FLOUR

The following table shows that Canada has maintained her predominance in the Scottish flour import trade in 1935, and in fact has improved her position relatively to other supplying countries. Her share of the trade, in receipts at Glasgow and Leith, was 54 per cent, as compared with 49 per cent in 1934 and 50 per cent in 1933. There are large imports also at Dundee and Aberdeen, for which figures are not available, but it may be taken that the Dominion's share of the trade at those two ports is not far short of 90 per cent.

Within recent years a very large trade in flour was enjoyed by United States mills in this market, which has now gone to the home millers, and, so far as Scotland is concerned, to a great extent to mills in England, which ship to Glasgow and Leith by coast steamer and rail. For instance, the imports of American flour into Glasgow in 1935 were 15,000 sacks; in 1930, over 300,000 sacks. In 1935 the coast and rail shipments from English mills to Glasgow were 202,000 sacks; in 1930, 86,000 sacks.

Flour Imports into Glasgow and Leith

(Excluding Minor Rail and Coast Shipments from England.)

	From	1935	1934 Sacks of 280 Lbs.	1933
Total	1,198,566	1,281,389	1,301,068
Canada	622,706	630,356	658,641
Australia	238,565	264,945	329,586
France	15,329	30,006	13,678
United States	22,442	43,043	25,127
Belgium	3,146	5,478	2,889
Germany	2,520	8,650	13,464
Holland	4,152	588	314
Hungary	605	1,519	122
Danzig	14,784	2,400	2,800
Denmark	48	.....	.....
Russia	1,052	.....

SCOTTISH MARKET FOR FEEDING STUFFS IN 1935

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, January 18, 1936.—There was nothing outstanding to report in the Scottish trade in mill offals during the year 1935. The price variations were less than usual, and the supply and demand kept reasonably well together.

In the beginning of the year the prices ruling were: for bran (broad red), 6s. 1½d. per cwt. of 112 pounds; fine thirds (middlings), 6s. 3d.; and common thirds (shorts), 6s. 1½d. Prices gradually dropped until early June, when the local consumptive demand was at its lowest. The prices then were: for bran, 4s. 9d.; fine thirds, 6s.; common thirds, 5s. 4½d.

From June a more or less steady rise took place until the end of the year, when prices finished at about the same level as they commenced: for bran, 6s. 1½d.; fine thirds, 6s. 1½d.; common thirds, 6s. per cwt. of 112 pounds ex mill Glasgow, less 1¼ per cent discount.

In October some business was done in Canadian bran, December shipment from Vancouver, at around 100s. per ton (2,240 pounds) c.i.f. Glasgow, but these offers ceased as Canada reported that better prices were being obtained locally and in the United States.

HAY

The hay crop in Scotland in 1935 was all of good quality, although comparatively light in quantity, but this, together with the small carry-over from 1934, met the demand readily enough. The price was moderate or low, the best Carse of Stirling timothy hay remaining on the same level as the year before—80s. per long ton, baled, and delivered to consumer's premises.

Importations of Canadian hay have apparently declined, although greater quantities could have been used. The same handicap existed as during 1934, viz. space for the shipment of hay could not be obtained when needed, and particularly once the apple season had begun.

With regard to prospects for 1936, there is apparently a sufficient quantity of good feeding hay in Scotland, there does not seem to be the slightest tendency towards higher prices, and probably will not be unless the balance of the winter turns out to be unusually severe.

The steadily decreasing number of horses to be fed is a factor in this trade that must be borne in mind.

OPPORTUNITY FOR THE SALE OF NOVELTIES IN SOUTH AFRICA

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, January 16, 1936.—The Executive Committee of the Empire Exhibition (South Africa), 1936, has to-day advertised its intention of calling for tenders for various concessions including the sale of novelties, etc., within the exhibition grounds during its four months' duration. It is not probable that Canadian firms would be able or care to tender for this entire concession. This office, however, is in a position to submit offerings from Canadian firms to the successful tenderer or tenderers. The opportunity appears to be a particularly good one for Canadian manufacturers of such products, as only goods produced in the Empire may be sold at the exhibition, and thus the severe competition of various foreign countries in these lines will not have to be met.

Interested firms should communicate with this office immediately, by air mail preferably, supplying prices, either f.o.b. Canadian seaboard or c.i.f. South

African ports, preferably the latter, and catalogues or descriptive matter. Where possible, samples should also be sent, but in the case of these ordinary mail may be used. If the novelties are of such a nature that the demand is likely to be a purely temporary one, as for example during the exhibition, the prices quoted should be net. If, however, they are of such nature that the demand is perennial, the prices should provide for an agent's selling commission at a stated rate as it may be possible to interest a manufacturers' agent in undertaking the representation of the line in this market.

MARKET FOR CODFISH IN THE EASTERN GROUP OF THE WEST INDIES, INCLUDING BRITISH, FRENCH, AND DUTCH GUIANA

W. F. BULL, CANADIAN TRADE COMMISSIONER

Port of Spain, January 23, 1936.—The fishing and curing of codfish is the earliest recorded industry in the New World, and the Basques, Normans, and Bretons were carrying on an important fishery prior to 1500. Fish taken on the banks of Newfoundland and along the shores of Nova Scotia and Cape Breton was dried and salted on shore and shipped at first to France and, at a later date, to the West Indies. This was undoubtedly the first and, for a long time, the only product exported from Canada to the territories covered by this report.

For more than three hundred years therefore codfish has been imported into these islands and has become a staple article in the diet of most of the natives. It is admirably suited for this climate and local conditions as it will keep for a reasonable length of time in the hottest weather, has a high food value, can be easily transported, and is cheap enough to be within the reach of the lowest incomes.

VOLUME AND DIRECTION OF IMPORTS

The volume and direction of the codfish imports has varied from year to year and from period to period due to increases in population, changes in economic conditions, and tariffs. When sugar, cocoa, and cotton sold at high prices, and when it was essential to feed slaves well to keep them fit for work, large quantities of the better grades of fish were imported.

In recent years, with cocoa at an all-time low and with cotton and sugar only slightly above the record low prices of a few years ago, the native population has been forced to find cheaper foods, with the result that the trade in prime Nova Scotia codfish has suffered through competition from the cheapest grades of Newfoundland cod, English cod, Canadian pollock and hake, and pickled fish. These markets at present consume codfish valued annually at approximately \$1,500,000, of which Canada supplies about 25 per cent valued at \$385,000.

The following statistics list the imports of codfish into this territory for the past three years for which statistics are available. In most instances codfish is not specially mentioned in the customs statistics, but is included under the general heading "dried, salted, or smoked fish." With the exception of British Guiana, codfish is by far the most important item under this heading. In this one market pollock and hake exceed codfish in both volume and value:—

Trinidad

Dried, Salted, Smoked or Pickled Fish—	1934		1933		1932	
	Lbs.	£	Lbs.	£	Lbs.	£
Total	6,104,163	73,348	6,111,079	70,486	5,508,453	77,285
Canada	4,031,774	50,959	3,474,382	43,394	2,960,030	41,887
United Kingdom . .	952,937	9,261	839,365	10,247	1,396,759	17,224
Newfoundland . . .	1,102,902	12,387	1,763,084	16,084	1,297,416	15,935

Barbados

Dried, Salted or Smoked Fish—	Quintals	£	Quintals	£	Quintals	£
Total	31,534	42,571	44,133	55,165	49,954	57,448
Newfoundland . . .	24,212	32,727	33,568	41,960	33,711	38,768
Canada	6,829	9,219	10,132	12,664	14,513	16,690
United Kingdom . .	463	625	433	541	1,670	1,921

Quintal=112 lbs.

British Guiana

Smoked or Dried Fish—	Cwts.	\$	Cwts.	\$	Cwts.	\$
Total	32,725	167,963	34,315	176,860	33,718	179,316
United Kingdom . .	24,936	119,297	23,815	118,181	29,246	145,064
Canada	7,494	41,620	10,145	51,502	3,443	24,067
United States . . .	290	6,795	230	6,266	171	5,649

Grenada

Fish, Dried—	Lbs.	£	Lbs.	£	Lbs.	£
Total	727,800	8,583	901,822	8,984	821,488	9,735
Newfoundland . . .	452,867	5,503	613,769	6,350	507,709	5,972
Canada	234,744	2,743	265,466	2,441	249,717	2,946
United Kingdom . .	3,041	32	5,852	43	42,703	608

St. Lucia

Salted, Dried or Smoked—	Lbs.	£	Lbs.	£	Lbs.	£
Total	386,157	4,631	590,749	5,656	564,214	5,761
Canada	268,749	3,211	340,128	3,128	288,717	2,918
Newfoundland . . .	110,688	1,336	234,484	2,341	204,519	2,196
United Kingdom . .	6,720	84	16,137	187	70,680	594

St. Vincent

Dried and Salted Fish—	Lbs.	£	Lbs.	£	Lbs.	£
Total	497,482	5,247	567,251	5,262	515,874	5,445
Newfoundland . . .	312,603	3,719	419,230	3,928	347,052	3,718
Canada	183,417	1,512	147,121	1,326	163,770	1,655
United Kingdom . .	1,462	16	900	8	5,052	72

Leeward Islands

Dried and Salted Fish—	Lbs.	£	Lbs.	£	Lbs.	£
Total	1,609,709	14,961	1,472,181	14,643	1,305,139	13,686
Brit. North America	904,163	10,062	1,007,167	10,054	877,456	9,127
United Kingdom . .	671,491	4,399	361,444	3,285	4,849	212

Martinique

Dried Cod Fish—	Quintals	1,000 Frs.	Quintals	1,000 Frs.	Quintals	1,000 Frs.
Total	38,667	6,314	29,456	5,057	19,763	3,704
France	36,296	5,995	25,613	4,585	8,688	1,450
Newfoundland . . .	784	95	3,300	389	386	796
Canada	674	89	48	7	1,380	302
Barbados	538	67	.....	.....	.....	.....
St. Pierre et Miquelon	331	60	495	76	4,629	861

Guadeloupe

Dried, Salted and Smoked Fish—	Quintals	1,000 Frs.	Quintals	1,000 Frs.	Quintals	1,000 Frs.
Total	17,798	5,356	19,295	4,961	15,768	5,341
France	17,394	5,244	18,786	4,846	15,315	5,207
Canada . . . . .	.....	.....	258	44	329	87
French Colonies . .	270	81	100	30	92	29

One French quintal=100 kilograms=220 lbs.

TRINIDAD

This colony continues to be the best market for Canadian codfish and, although an increasing quantity of Newfoundland and English cod is being sold due to the decreased income of most of the agricultural labourers, substantial quantities of Nova Scotia large and extra-large fish are still being sold. The people prefer the thick mild-cured shore fish, but, as this type does not

keep as well as a slightly harder cure, the bulk of the trade is in medium-cured bank fish. Insufficiently cured fish, sunburned or old fish is not suitable and breaks down very quickly in this hot damp climate.

BARBADOS

This colony is the most densely populated of all the West Indian islands, and there is always an important unemployment problem. Almost every available acre of land is given over to the production of sugar cane, and as the sugar market has been depressed for more than ten years, a demand has grown up for Newfoundland small fish, the cheapest codfish sold in this part of the world. The grade of fish taken in Barbados and some of the Windward and Leeward islands is more or less a cull grade, and, as a result, is dumped on these markets regardless of price. The fish is sound and hard cured but frequently very small and sunburned. The trade for many years was handled by schooners which carried codfish from Canada and Newfoundland to Barbados, loading molasses or salt for the return voyage. Quantities still come forward by this manner, but the bulk is now transhipped at Halifax or New York.

This business is entirely on a consignment basis, and Barbados acts as a distribution centre for the neighbouring islands. It frequently happens that five or six hundred casks of fish are received on or about the same time, and as this fish will not keep indefinitely, prices are driven down to ridiculous levels, and it is not uncommon to wholesale this fish for as little as from \$10 to \$12 per cask of 448 pounds. There is a very small importation of Nova Scotia codfish as the natives have developed a preference for the Newfoundland cure.

LEEWARD ISLANDS

The general level of wages in these small islands is lower than in the larger islands, with agricultural labourers frequently getting less than one shilling a day. In addition, important quantities of fresh fish are caught in the surrounding waters, and accordingly the demand for Canadian codfish is definitely limited. St. Kitts, the largest of the group, imports a considerable quantity of Newfoundland cod, some English cod and pollock and Canadian hake, pollock, and ling. The statistics unfortunately do not distinguish between Canada and Newfoundland but bulk all imports under the general heading of British North America.

Antigua is a pollock market and at one time drew 80 per cent of its requirements from Canada. The bulk of the pollock is now supplied by the United Kingdom, and when Newfoundland cod is cheaper it is substituted for pollock.

Dominica is probably the best market for Canadian cod in the Leeward group as this island has an important small peasant-proprietor population. This presidency has been steadily increasing its annual exports of citrus fruits and bananas, which has considerably increased the incomes of these small growers. Newfoundland cod is also purchased from Barbados, and there is a fair importation of pickled fish. Montserrat, one of the smaller islands, regularly imports a limited quantity of Canadian codfish.

WINDWARD ISLANDS

St. Lucia.—This island is a large consumer of codfish, considering its limited population. Canadian cod is preferred to Newfoundland cod, and as economic conditions improve an increasing quantity of Canadian fish should be consumed.

St. Vincent.—This island draws most of its fish requirements from Barbados (Newfoundland cod). This fish is offered by Barbados exporters at sacrifice prices in order to move surplus stocks from the local market.

Grenada.—Grenada, the largest of the Windward group, is an important market for Newfoundland cod, which is largely transhipped from Barbados at very low prices.

With large consignment stocks always on the market in Barbados, merchants in the Windward and Leeward Islands hesitate to place firm orders for Canadian codfish as their small sensitive market can be easily flooded with low-price fish between the placing of the order and the delivery of the Canadian fish.

BRITISH GUIANA

The largest in area of all the British colonies in this territory has developed into the principal market for pollock and hake, and as a result the bulk of the local requirements of dried fish originate in the United Kingdom. Canadian pollock and hake is also imported in large quantities as the quality is generally superior to English fish even if it is higher in price than the English varieties during most of the year. A small quantity only of Canadian cod is imported due to two factors—the lower price of pollock and hake, and the harder cure of this fish. A considerable quantity of the fish imported is transported into the interior for consumption at the gold and diamond diggings. Codfish will not stand this long slow trip, with the result that hake and pollock or pickled fish is substituted. An average of 3,000 barrels of pickled herring and alewives are imported annually into British Guiana.

GUADELOUPE AND MARTINIQUE

On a per capita basis, these French islands are very large importers of dried and pickled fish, but owing to preferential tariffs at least 75 per cent of this total originates in France and St. Pierre and Miquelon. The remainder of the imports is largely from Newfoundland. Imports from Canada have been kept at a low figure as a result of the higher tariff and the lack of direct steamship connections.

FRENCH AND DUTCH GUIANA

No import statistics covering these markets are available at the time of writing, but these French and Dutch colonies are comparatively small consumers of imported fish. They have large local supplies of sea and fresh-water fish, and as grazing lands are plentiful, animal products are much cheaper than in the islands. French Guiana has the same tariff preference for French products, and there is a direct steamship service between this French colony and France. Dutch Guiana and Curacao take a small quantity of Canadian codfish and some pickled herrings and mackerel.

COMPETITION AND PRICES

As reported above, Canadian codfish sells in competition with Newfoundland codfish in the preferential markets and with Newfoundland and St. Pierre and Miquelon fish in the French markets. In addition, imported fish competes with local fresh fish and fresh meat. The coarser grades of local fish are retailed at 5 cents and 6 cents a pound, and the poorer cuts of local beef are sold for as little as 6 cents a pound. Nova Scotia codfish retails at from 9 to 12 cents a pound, and accordingly is more or less of a luxury to a labourer earning a shilling a day. Newfoundland cod can be purchased at 6 cents a pound retail, and English cod retails at a cent a pound less than Canadian fish.

Prices of Canadian codfish have been steadily reduced in recent years as a result of competition between individual Canadian shippers and in order to

meet the English and Newfoundland competition; however, these supplies always manage to remain under the Canadian prices. Prior to 1934 c.i.f. Port of Spain price of extra large prime Nova Scotia codfish averaged from \$35 to \$38 per cask of 448 pounds. In that year the prices were reduced to 140s. for extra large, 130s. for large, and 120s. for medium—that is, \$33.60, \$31.20, and \$28.80 respectively.

In July, 1935, prices were further reduced by 10s. per cask to 130s., 120s., and 110s. for extra large, large, and medium fish; and in August, 1935, due to competition among the Canadian exporters, prices were again reduced by 10s. to 120s., 110s., and 100s., the present level, which works out to approximately \$28.80, \$26.40, and \$24 for extra large, large, and medium fish. English cod as a rule averages 20s. per cask less than Canadian cod, but at the moment is 10s. less at 100s. for large. Newfoundland cod is being sold at this date at \$20 c.i.f. Port of Spain for large, \$19 for medium, and \$17 for small, each per cask of 448 pounds. Canadian pollock is sold on consignment and is being offered by local merchants at a price equivalent to \$15 c.i.f. per cask of 448 pounds.

TARIFF

Canadian and Empire fish is subject to a preferential tariff on importation into each British colony in this territory ranging in value from 12 cents per 100 pounds to \$1.50 per 100 pounds. This preference has been sufficient to confine competition to Empire countries. French and French colonial fish has protection in the French islands of Guadeloupe and Martinique and French Guiana, and as a result the bulk of the imports are received from these sources. There are no quotas or restrictions governing the importation of codfish into this territory.

PREPARING AND PACKING OF FISH AND METHOD OF SALE

Split, boneless fish with nape, of a medium cure, are preferred in these markets. Mild cure such as used on the Gaspé coast is not satisfactory, and the hard-cured English fish must always be quoted under the Canadian prices to gain any share of the trade. The four-quintal cask (448 pounds) has been used for generations and has proved to be the most suitable. A smaller package similar to that used in the Cuban trade would be more convenient, but as it is slightly more expensive buyers stick to the large cask. A clean new cask is essential and paperliners at the top of the cask add considerably to the appearance of the fish on arrival.

In Trinidad, Canadian fish is sold for the most part by commission agents working on a 5-per-cent commission basis. These agents solicit orders from the wholesale provision dealers and handle any claims arising out of the condition of the fish on arrival. This trade is very competitive and, although prices are controlled from Canada and are supposed to be the same, two agents are at the moment cutting their commission 2s. a cask. Two local merchants buy direct or receive consignments from Canada, which constantly upsets the local market as the merchants will not place any new orders while a consignment of fish is unsold.

The Barbados trade is almost entirely on a consignment basis, the larger merchants dealing direct with exporters. The same situation exists in Martinique and Guadeloupe. There are very few commission agents in the Windward and Leeward Islands, with the result that business is handled direct by exporters with the wholesalers. At one time British Guiana's fish trade was handled by agents, but there has been a tendency in recent years to direct purchasing by the wholesalers.

SUMMARY

As stated at the beginning of this report, the movement of codfish from Canada to the West Indies is Canada's oldest export trade. The Canadian firms handling this trade have been engaged in the fish business for generations and are familiar with all phases of it. From this end there does not appear to be any immediate way of substantially increasing the exports unless Canadian shippers wish to dump their fish in competition with Newfoundland, and, although this would increase the volume, it certainly would not increase the net return on this business, which is low enough at present. The Canadian codfish shipped to this area is superior to the Newfoundland and English cod and will always sell at a premium, and it is probable that the price of Canadian fish could be increased without seriously affecting the volume of sales.

General business conditions in this area have recovered from the low levels of the recent depression and the outlook for the future in most cases is brighter than it has been for many years. Secondary industries, such as the growing of bananas and citrus fruits for export, are progressing favourably, and it is reasonable to expect that the purchasing power of the people will increase. With any increase in purchasing power, the demand for Canadian codfish will improve.

INDIAN MARKET FOR DRIED FRUITS

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, January 8, 1936.—Imports of dried fruits and vegetables into India are valued at approximately Rs.1,000,000 per annum and amount to about 85,000 tons (2,240 pounds). The largest proportion is composed of dates, and while other varieties are imported, many such as currants, raisins, and almonds are not grown or produced in Canada.

Official statistics unfortunately include vegetables, so that it is impossible to ascertain the exact quantities imported of those varieties which it is possible to produce in and export from Canada, as these are classified as "other sorts," which in the fiscal year ended March 31, 1935, totalled 16,192 tons valued at Rs.2,236,248 compared with 14,088 tons valued at Rs.1,684,342.

PRINCIPAL VARIETIES AND CHIEF MARKETS

Judging from observation of the markets and stocks of suppliers and merchants, there is a fair business done in dried fruits. Varieties of fruits of interest to Canadian producers already introduced to the markets of India, principally through United States houses, are apricots, peaches, pears, and apple rings. The chief markets in order of importance are the Bombay Presidency, Madras Presidency, Burma, and Bengal through their respective ports of Bombay and Karachi, Madras, Rangoon, and Calcutta. From these ports up-country and interior stations are supplied.

It is a truism of the Indian market that every importer, large or small, agent, broker, or merchant, wants to deal direct with the producer, and the result is cut-throat competition. Although India may be well-known as a cheap market, merchants and consumers have been educated to a standard of quality at a price and will consider nothing lower. With respect to dried fruits, United States shippers have supplied a high quality, so that it is on this basis that the Canadian producer must compete as well as on price and terms if he hopes to make any headway or even introduce his products.

PACKING

Dried or evaporated fruits from the United States, particularly the West Coast, with which Canadian producers will have to compete, are sold on the Indian market in a variety of assortments, but all more or less under the same general manner of packing. This consists in the fruit first being wrapped in cellophane or other moisture-proof paper—a highly important point and one on which too much stress cannot be laid, because if evaporated or dried fruits absorb moisture before they are put into consumption they are practically useless. It should be remembered that in India, particularly in the seaports or coastal cities and southern India generally, the humidity during the greater part of the year is excessive—in fact at times 100 per cent—and what may be used in Canada as a moisture-proof wrapper will nine times out of ten prove useless in this part of the world. The fruit is then placed inside attractively printed carboard cartons, which are packed in wooden cases suitable for export shipment.

PRICES

A very popular assortment is a case of twenty-four 1-pound packages, consisting of six of apricots, six of peaches, six of mixed fruits, three of pears, and three of figs, which are sold on the Calcutta market to dealers at \$4.75 per case c.i.f. These cases for purposes of shipment and handling are wired two to a bundle to make up the minimum weight for port handling charges.

Apple rings are usually received on this market in twenty-eight 2-pound boxes put up as above at \$12 per case c.i.f. Calcutta. Individual cases of different fruits are put up in thirty-six 1-pound boxes. Prevailing prices are: apricots, \$9 per case; peaches, \$5.65 per case c.i.f. Calcutta.

COMMISSIONS AND DISCOUNTS

Most of the shippers now selling to this market maintain their own direct organizations in Calcutta and other centres. A discount of $2\frac{1}{2}$ per cent is allowed to the trade, so that a Canadian producer endeavouring to develop this market would have to do so through a representative who will require a commission of at least $7\frac{1}{2}$ per cent (to be added to the shipper's c.i.f. prices), and who must also allow a similar trade discount, so that any prices quoted by Canadian shippers should include the commission and discount—in other words, the price quoted should be c.i.f. and c.

SAMPLES AND TERMS

To properly introduce the products, samples, with prices as above outlined, will be necessary in order to show the packing and quality of the product. It is suggested that if any Canadian producers or exporters are interested, a sample case of assorted fruits be forwarded to this office for distribution among prospective representatives, who will test out the market. The usual terms of payment are sight draft sixty days' documents on payment, or sixty days' documents on acceptance from date of arrival of the goods. The latter terms are extended only to buyers of undoubted standing. Canadian producers or exporters interested should communicate direct with this office, forwarding samples and prices, as there are a number of inquiries on hand from reliable representatives in various parts of India who are desirous of handling dried or evaporated fruits from Canada.

FOREIGN TRADE OF THE NETHERLANDS IN 1935

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One florin equals \$0.402 at par, and approximately \$0.68 at present rate of exchange; one metric ton equals 2,205 pounds; one kilogram equals 2.2 pounds)

Rotterdam, January 24, 1936.—The policy of national self-sufficiency in so many states which during recent years has caused such a sharp contraction in international commerce is further reflected in the foreign trade figures of the Netherlands for the year 1935. The total value of both imports and exports was only fl. 1,611,000,000 in comparison with fl. 1,750,000,000 in 1934 and fl. 4,741,000,000 in 1929, when the post-war high point was reached. The shrinkage in volume, while less marked than is the case with values, has, however, also been noticeable.

Among the causes of this precipitous downward movement there is nothing to be found that is due entirely to local conditions except that Holland, as a specialized producer and international trader, has been particularly vulnerable to the effects of the depression. Restrictive measures taken by other nations to curb imports and which adversely affected the Netherlands, made retaliatory action necessary. Concurrently this country deemed it expedient to adopt the formula of substituting, where possible, more expensive domestic products for the cheaper and often better-quality articles which had been previously purchased abroad.

In reviewing the present situation, the most favourable comment that can be made is to the effect that the decline is less rapid than it was prior to 1932 and that the percentage of imports covered by exports rose from 68.6 in 1934 to 72.1 in 1935. The future outlook, however, despite the consummation of some trade agreements with foreign countries which will be helpful, remains sombre.

IMPORT TRADE

Lacking in raw materials and natural resources, and with an insufficient domestic production of many foodstuffs and manufactured goods, the Netherlands is forced to import large quantities of such important basic articles as lumber, cereals, cotton, wool, oil, and minerals.

Lessened industrial activity and a declining buying power have, since the beginning of the depression, caused a contraction in the purchases of all of these. In addition, import restrictions and the necessity of substituting home produce for foreign articles has brought the total value of imports down to only fl. 936,000,000 in 1935 in comparison with fl. 1,038,000,000 in 1934 and fl. 2,752,000,000 in 1929.

In comparing the 1929 figures with those of 1935, the difference between the gold value of the Netherlands currency and that of most foreign countries must be taken into consideration. Apart from this, however, there has also been a marked shrinkage in volume. In 1935 the total weight of imports, exclusive of precious metals, was 20,436,871 metric tons, in 1934 the figure was 22,736,994 tons, and in 1929, 30,989,263 metric tons.

In the official trade returns commodities are divided into sixteen principal groups. In all of these, with the exception of precious metals (which must be disregarded from a commercial point of view) and one other, there was a decrease in value when 1935 was compared with 1934. Slightly increased imports of oil products brought up the total for the heading under which these commodities are included.

Particulars of the values of imports under the different group headings for the years 1933, 1934, and 1935 are subjoined:—

Group	1933 Figures in Thousands of Guilders	1934	1935
Animals and animal products	34,048	29,136	24,484
Vegetable products	248,396	211,790	202,190
Minerals and metals	223,659	221,351	199,801
Gold and silver	534,826	132,136	215,475
Flour and flour products	10,927	6,863	5,793
Chemicals, medicines, etc.	48,299	40,461	38,455
Oil, resin, tar, wax, etc.	72,361	46,148	50,226
Wood and wood products	75,901	69,234	49,082
Hides, skins and leather	31,208	26,182	24,828
Yarns, cordage, clothing, etc.	165,645	129,753	114,585
Earthenware and porcelain	11,532	8,985	6,879
Glass	9,402	7,346	6,318
Paper	24,871	21,742	20,153
Foodstuffs n.o.p.	76,060	60,115	51,522
Vehicles, etc.	39,104	33,335	30,402
Non-enumerated products	137,831	125,723	111,215
Total	1,744,070	1,170,300	1,151,408
Total, excluding precious metals	1,209,244	1,038,164	935,933
Weight in tons	24,082,206	22,736,994	20,436,871

Animals and animal products, which head the above table, are not important items as far as Dutch import trade is concerned. On the other hand, cereals, which follow, occupy first position from the point of view of value. While there is a limited production of wheat and coarse grain, Holland is a typical example of a cereal-deficiency country and consequently imports are large. Because of a lack of minerals and metals with the exception of coal, and the necessity of importing even ordinary building and paving stone, the mineral and metal group is of importance. The other groups, as the foregoing figures indicate, are of comparatively minor consequence. The commodities coming under the heading of yarns, cordage and clothing are soft goods, and of somewhat more prominence than most of the others. Among the most important commodities involved here are yarns of cotton and wool, and artificial wool. The United Kingdom, Germany, and other European countries are the principal sources of supply.

The last group—in which all non-specified commodities are placed—includes radio material, electrical machinery and apparatus, automobile tires, agricultural machinery, with a wide range of miscellaneous tools, accessories, and machines.

EXPORT TRADE

During the second and third quarters of 1935, the value of the Netherlands exports moved upwards, although this was insufficient to offset losses incurred during the first six months, and consequently the total for the year showed a decline of approximately fl. 37,000,000 in comparison with the preceding period.

As is the case with imports, the trade statistics divide exports into sixteen groups of commodities. Three of these—animals and animal products, vegetable products, and minerals and metals—are the most important, and in 1935 their combined value was fl. 354,037,000 out of a total of fl. 675,104,000. The respective figures in 1934 were fl. 385,618,000 and fl. 711,814,000.

In the animal and animal products group are included Holland's leading export commodities such as butter, margarine, cheese, milk, bacon, eggs, and fish. In the second group are embodied pulses, seeds, fresh vegetables and fruit, potatoes, bulbs, nursery stock and similar products of the farm and field. As regards minerals and metals, coal and coke are important items, and while both of these are also imported into the Netherlands, the export trade is deserving of note. Miscellaneous iron and steel products, when taken collectively, also have a considerable value.

All of the foregoing register a decrease when compared with the preceding period. The remaining different groups of commodities are relatively of less importance.

In the item embodying oil there was an increase from fl. 48,375,000 to fl. 57,488,000, which is accounted for by larger exports of linseed and other vegetable oils. This was the only instance where any noteworthy improvement was recorded.

Particulars as to the value of exports of the above-mentioned groups of commodities, with comparative figures for 1934 and 1933 are subjoined:—

Exports from the Netherlands, 1933 to 1935

Group	1933 Figures in Thousands of Guilders	1934	1935
Animals and animal products	167,994	159,661	140,402
Vegetable products	106,148	111,571	96,541
Minerals and metals	107,108	114,389	117,094
Gold and silver	698,220	305,360	507,304
Flour and flour products	19,740	21,427	22,830
Chemicals, medicines, etc.	30,486	26,204	25,526
Oil, resin, tar, wax, etc.	50,407	48,375	57,488
Wood and wood products	4,873	4,583	3,513
Hides, skins and leather	22,756	18,477	19,527
Yarns, cordage, clothing, etc.	53,786	52,310	48,034
Earthenware and porcelain	3,965	3,136	2,489
Glass	3,120	2,744	2,667
Paper	20,462	20,865	19,136
Foodstuffs, n.o.p.	33,292	30,841	26,472
Vehicles, etc.	13,242	7,937	12,898
Non-enumerated products	88,276	89,294	80,487
Total	1,423,876	1,017,174	1,182,408
Total, excluding precious metals	725,656	711,814	675,104
Weight in tons.	12,768,744	13,323,721	12,448,662

DISTRIBUTION OF TRADE

In 1935 approximately 47 per cent of the foreign trade of the Netherlands was with the three neighbouring countries—Germany, the United Kingdom, and Belgium. The first-named alone accounted for 23 per cent of the total, while 14 per cent was to the credit of the United Kingdom, and the remaining 10 per cent to Belgium. The balance is spread out among all parts of the world, with France, Netherlands India, and the United States in prominent positions.

With Germany, as is usually the case, imports exceeded exports by almost two to one. The United Kingdom, on the other hand, as Holland's best customer, had an excess of purchases over sales. Conversely, there were unfavourable trade balances with Belgium, the United States, and Argentina. With the last-named country the margin is particularly wide owing to the heavy imports of cereals by the Netherlands.

The value of external trade with the principal countries during 1935, with comparative figures covering the preceding year, was as follows:—

Country	Imports from 1934	Imports from 1935	Exports to 1934	Exports to 1935
Figures in Thousands of Guilders				
Germany	298,318	239,324	176,642	129,250
United Kingdom	97,154	87,268	135,116	142,311
Belgium	107,984	103,318	81,540	72,098
France	44,838	44,098	57,662	47,096
N.E. Indies	58,438	57,148	30,480	31,824
United States	69,205	64,806	22,474	33,155
Argentina	72,161	73,993	6,275	7,530
Sweden	18,867	14,346	16,459	20,501
Italy	14,200	12,137	15,602	15,632
Switzerland	12,028	10,895	17,522	16,773
Poland	13,810	12,111	7,868	7,980
Japan	8,281	7,481	1,087	2,100
Canada	7,702	8,875	4,641	4,330
South Africa	1,261	2,401	5,704	5,540
All other countries	213,917	197,732	132,742	139,084
Total	1,038,164	935,933	711,814	675,104

TRADE WITH GERMANY

From a broad point of view the Netherlands trade with Germany is an exchange of foodstuffs for industrial products, although there is a certain movement of the same types of commodities in the opposite direction. In 1935 imports from that country fell from 8,614,276 metric tons (fl. 298,318,000) to 7,566,001 tons (fl. 239,324,448). Exports to Germany also declined from 2,567,535 tons (fl. 176,642,489) to 2,213,934 tons (fl. 129,250,114).

The decline in the volume of imports is accounted for by a contraction in the purchases of wheat, rye, coal, stone, iron and steel, and chemicals. The quantity of German rye entering the Netherlands alone dropped from 108,500 tons to 8,000 tons. Wood and wood products contracted from 1,871,000 tons to 1,517,000 tons; the principal commodity involved was building lumber.

As regards exports to Germany, there has been a diminution nearly all along the line. Fresh vegetables, for instance, dropped from 163,100 metric tons (fl. 14,700,000) in 1934 to 110,700 tons (fl. 8,000,000) in 1935; pulses from 9,900 tons to 900 tons; seeds from 9,300 tons to 5,400 tons; potatoes from 33,500 tons to 14,100 tons; fish and fish products from 36,000 tons to 18,900 tons; and cheese from 23,800 tons to 16,900 tons. There have been smaller declines as regards meat, butter and eggs. The lessened German purchases of all these typical Netherlands products have contributed materially to the distress of Dutch agriculture, which has been in no degree counteracted by a slight increase in exports of fresh fruits and of spirits.

The most important single item on the list of exports to Germany was eggs, which weighed 30,183 tons and had a value of fl. 13,416,733. Butter was second with 11,821 tons at fl. 11,296,677.

TRADE WITH THE UNITED KINGDOM

A favourable feature of Holland's foreign trade in 1935 was an increase in the value of exports to the United Kingdom from fl. 135,115,745 in 1934 to fl. 142,310,591 for the period under review. Conversely, however, there was a slight contraction in volume.

Exports.—While the British Isles are still the Netherlands principal foreign market, the depreciation of the pound and the adoption of a protective policy has reduced the weight, and particularly the value, of Netherlands exports to the United Kingdom to a fraction of their former level. In 1929, for instance, the volume was 1,757,245,112 tons and the value fl. 407,523,720. In 1935 these figures were 1,097,662 metric tons (fl. 142,310,591).

The principal commodities which Holland exports to the United Kingdom, in metric tons, together with their values in 1934 and 1935, were:—

Commodity	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Salted meat	30,975	14,849	26,293	13,060
Butter	17,297	6,184	25,713	10,828
Milk and milk products	110,561	14,901	94,456	9,846
Bulbs, plants and shrubs	26,642	12,685	27,459	13,127
Tin and tin products	4,200	7,094	5,551	8,956
Vegetable oils	37,396	6,307	48,953	8,583
Paper and paperware	218,876	9,947	200,839	8,980

Imports.—As has been noted, the trade balance between the Netherlands and the United Kingdom consistently displays a heavy balance in favour of this country. Both the volume and value of imports have also moved downward, however, from 2,664,109 metric tons at fl. 97,154,386 in 1934 to 1,488,353 tons and fl. 87,267,751 in 1935.

The advantages of purchasing British products through the depreciation of sterling in comparison with the florin—which should theoretically increase

the flow of goods—have been offset by import restrictions coupled with a lessened purchasing power, both of which in turn have been due to the general disruption of trade attendant on the depression.

Among the commodities imported from the United Kingdom, yarns occupied the leading position from the point of view of value with fl. 10,288,711, followed by piece-goods and fabrics with fl. 10,117,154. Other important items, together with the value of each, were: coal and coke, fl. 8,210,221; machinery, fl. 7,782,029; iron and steel and products, fl. 4,641,579; unspun wool, fl. 3,589,254; tinplate, fl. 4,017,366; and clothing and dressed furs, fl. 2,529,815.

Included in the total of imports from Great Britain there is an indeterminate quantity of merchandise which has been re-exported from that country either with or without further processing.

TRADE WITH BELGIUM

The value of Netherlands exports to Belgium (with which is included the Grand Duchy of Luxemburg) fell from fl. 81,539,566 in 1934 to fl. 72,098,349 in 1935. Imports also contracted slightly, from fl. 107,983,503 to fl. 103,317,734.

Coal, coke, and briquettes were the leading products sold in Belgium, the value during the year having been fl. 8,264,887, followed by cheese with a value of fl. 5,825,769. Other leading exports included vegetable oils, potatoes, hides and skins, fish and fish products, and butter.

As regards imports from Belgium, iron and steel and products thereof valued at fl. 15,144,696 were in first place, followed by yarns (fl. 8,599,275) and vehicles (fl. 8,581,763). This last figure is for the greater part represented by the value of American automobiles, which are assembled in Belgium and re-exported to the Netherlands. Other leading commodities include articles of clothing, piece-goods and fabrics, saltpetre and artificial fertilizers, coal and coke, cement, chemical products, crude oil, corn, and raw wool.

As is the case with the United Kingdom, there are many products shown in the Netherlands trade statistics as being imported from Belgium which are not wholly or only partly of Belgian origin but have been re-exported from that country.

TRADE WITH FRANCE

France is one of the limited number of countries with which the Netherlands has a favourable trade balance, although in 1935 the margin between exports and imports was not wide, with the former standing at fl. 47,095,934 (fl. 57,662,187) and the latter at fl. 44,098,163 (fl. 44,438,468).

Imports from France in the order of importance included yarns, chemical products, artificial fertilizers, textiles and piece-goods, vehicles and machinery, hides and skins, leather, and wheat flour.

Among exports to that country coal and coke, which had a value in excess of fl. 11,000,000, was at the head of the list. Other articles include fish and fish products, cheese; bulbs, plants, and nursery stock; unenumerated vegetable products, potatoes, seeds, hides and skins, paper and paper products.

TRADE WITH NETHERLANDS INDIA

There are no preferential tariffs to facilitate trade between Holland and her colonies. Dutch products exported to Netherlands India and Netherlands Indian products coming to Holland receive the same treatment as similar goods when from foreign countries. Consequently commercial transactions with the overseas empire are dependent on personal and economic links with the mother country rather than on colonial preferences. While the former are a consideration, they have not been successful in preventing competing countries—such as Japan, for instance, which is aided by its geographical proximity—from making heavy inroads into the Indian market, particularly in textiles and piece-goods.

In any case, the year 1935 saw the value of Dutch exports to Netherlands India rise slightly to fl. 31,823,506 in comparison with fl. 30,480,477 in 1934. This figure, however, only represents about one-third of the 1931 total. Imports of Indian goods into Holland, on the other hand, fell to fl. 57,148,180 in comparison with fl. 58,438,283 in 1934 and fl. 71,860,960 in 1931.

Although the Netherlands East Indies remain dependent on the mother country for the disposal of a large proportion of their production, other countries have to a great extent supplemented Holland as a source of supply for the necessary imports, a fact which has had an unfavourable effect on many Dutch industries.

Among imports, non-specified ores, consisting almost entirely of tin, were valued at fl. 15,530,672; raw tobacco came second with fl. 9,273,375. Other principal commodities, together with their value in 1935, were as follows: tea, fl. 6,425,751; non-specified vegetable products, fl. 5,917,400 (principal commodities in this group were raw rubber and kapok); coffee, fl. 3,075,273; hides and skins, fl. 2,081,585; vegetable oils, fl. 1,206,758.

Despite the inroads made by competitors, the Netherlands East Indies still remains the best market for the products of the Netherlands textile industry, the value of commodities under this heading which were exported there in 1935 having been fl. 9,137,861. In this connection it is interesting to note, however, that in 1930 this figure stood at fl. 40,573,430. The respective volumes were represented by 6,799,236 and 15,716,667 metric tons.

Textiles were accordingly easily in first place among the 1935 exports, followed by machinery and parts (fl. 2,210,553), printed matter (fl. 1,326,192), prepared foodstuffs (fl. 1,133,007), manufactured tobacco and products (fl. 1,344,206), and milk and milk products (fl. 1,215,297).

TRADE WITH THE UNITED STATES

Trade between the Netherlands and the United States is roughly on a two-to-one basis in favour of the latter.

During the period under review imports were valued at fl. 64,805,537 and exports at fl. 33,154,870. The latter figure is a substantial increase on the 1934 level, which stood at fl. 22,444,437, whereas imports declined slightly from fl. 69,205,051 in 1934.

Imports from the United States included raw materials, foodstuffs, and a wide range of manufactured goods. The volume and value of the leading commodities together with comparative figures for the preceding year were as appended:—

Commodity	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Wheat	34,968	1,669	34,455	1,662
Fresh or dried tropical fruit	2,954	425	8,957	1,086
Fresh fruit other than tropical	15,737	1,783	13,691	1,607
Dried fruit other than tropical	8,377	2,117	10,533	2,446
Animal feedstuffs	37,943	1,940	46,857	1,902
Raw cotton	23,136	9,940	16,871	7,297
Copper and brass products	3,940	1,068	4,035	1,105
Wheat flour	7,203	543	8,964	701
Chemical products	3,045	1,205	7,317	1,534
Refined petroleum	111,962	2,512	71,009	1,678
Benzine	81,490	2,311	106,329	3,087
Crude oil	60,782	2,740	76,796	2,671
Lumber	41,096	1,904	32,730	1,487
Wood products	6,780	806	7,449	809
Leather	137	716	107	600
Raw tobacco	8,387	3,718	6,080	2,809
Vehicles	14,220	8,928	12,313	7,024
Aeronautical products	34	275	137	2,149
Machinery and parts	5,263	5,354	4,906	4,822
Instruments and apparatus	586	2,004	524	2,118
Rubber products	2,221	1,893	1,944	1,655

As regards exports to the United States, the principal products, together with the value, were in 1935: fish and fish products (fl. 700,000); butter (fl. 1,080,000); seeds, other than vegetable and flower (fl. 988,000); vegetable seeds (fl. 790,000); bulbs and nursery stock (fl. 2,441,000); non-specified vegetable products (fl. 1,137,000); iron and steel products (fl. 1,098,000); tin products (fl. 2,552,000); medicines and patent foods (fl. 1,544,000); vegetable oils (fl. 8,698,000); leather (fl. 1,100,000); rope and cordage (fl. 912,000); and piece-goods and fabrics (fl. 936,000).

FREE TRADE ZONE FOR NEW YORK

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, February 1, 1936.—The United States Secretary of Commerce has announced the terms and conditions of a Free Trade Zone grant for the Port of New York. This grant is made in accordance with the Foreign Trade Zones Act of June 12, 1934, and gives to New York the first zone of this kind authorized in the United States.

By terms of the grant, New York receives the right to establish and operate the free trade zone in a 78-acre area on Staten Island where there are a series of municipally owned piers. It carries the privilege of constructing a seven-story warehouse and manipulating building with a floor area of 1,196,685 square feet at an approximate cost of \$3,500,000.

The entire cost of the initial development, inclusive of the cost of the warehouse, was estimated by Secretary Roper at \$4,600,000. Since the Foreign Trade Zones Act makes no provision for the expenditure of Federal funds, it will be necessary for the City of New York to finance the entire project. One stipulation of the grant is that the city speed the construction of the free port, and work will therefore be started within thirty days and completed within nine months.

FOREIGN FREE TRADE PORTS

While free ports or free trade zone areas are new to North America, they have been common-place in Europe since the middle ages. Leghorn, Italy, became a free port in 1547, and Venice, Bremen, and Hamburg became important early trading centres by this means.

As of 1929, foreign free trade zones or ports included Copenhagen; Danzig; Hamburg, Bremen, Bremerhaven, Brake, Cuxhaven, Geestemunde, Emden, and Stettin in Germany; Stockholm, Gothenburg, and Malmo in Sweden; Hango in Finland; Trieste and Fiume in Italy; Sulina, at the mouth of the Danube; and Hongkong, Singapore, Penang, and Macao in the Orient.

FOREIGN TRADE ZONES ACT OF 1934

By Act of Congress approved June 18, 1934, provision was made for the establishment, operation and maintenance of foreign trade zones in ports of entry of the United States, to expedite and encourage foreign commerce. The essential terms and conditions upon which these might be established and operated are as follows:—

(1) Into these zones may be brought foreign and domestic merchandise which then may not be manufactured or exhibited, but may be stored, broken up, repacked, assembled, distributed, assorted, graded, cleaned, mixed, or otherwise manipulated and exported.

(2) Regulations with respect to storage, manipulation and assignment of guards is under the jurisdiction of the Secretary of the Treasury.

(3) Each zone is to be operated as a public utility with fair and reasonable charges and uniform treatment. The operator of the zone must keep his accounts in prescribed form and render full statements at all times of receipts and expenditures.

(4) Prescribing of rules and regulations (other than with respect to customs procedure) and general administration of the zones are vested in a Board consisting of the Secretaries of Commerce, Treasury, and War.

(5) The Board may revoke a foreign trade zone grant for repeated wilful violations of provisions of the Act or may impose penalties for violations at \$1,000 per day.

(6) Granting of privilege of operating a foreign trade zone is vested in the Board, subject to the conditions that the application for a grant must show adequate facilities, satisfactory method of financing, etc. One zone is permitted for each port of entry except where the port lies in two States, as in the case of the Port of New York, where two zones are permitted. A private corporation may obtain a grant only if chartered under a special State Act enacted after June 18, 1934. A grant to a public corporation (defined as a State, political subdivision thereof, municipality, public agency of a State, political subdivision thereof, or a municipality or corporate municipal instrumentality of one or more States) is conditioned upon the authorization of the Act of a Legislature in case of any State "in which harbour facilities of any other port of entry are owned and controlled by a municipality."

Under the terms of the above Act, which specifically excludes manufacturing, refining, etc., the principal business of a foreign trade zone would be transshipment, storage, and such cleaning, mixing, assembly, and manipulating as could qualify under Treasury regulations as not being "manufacture."

Resulting from the above Act, conferences were held between the Port Authority and the New York City officials, and at the request of Mayor La Guardia the Port Authority made a study of the economic feasibility of establishing a foreign trade zone at the municipal pier properties on Staten Island. This study was made by the Bureau of Commerce of the Port of New York Authority in conjunction with various departments of the City of New York and officers of the Federal Government, steamship lines, and commercial agencies. The present grant is a direct result of their findings, which were published in November, 1934.

OTHER FREE TRADE ZONE GRANTS

It is generally understood that three more trade zone grants will be created in the United States. One is considered likely for New Orleans, another probably will be set up in either San Francisco or Los Angeles, and the fourth in all probability will be situated somewhere on the Atlantic coast.

UNITED STATES MARKET FOR CHEDDAR CHEESE

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York City, January 31, 1936.—Considered individually, the people of the United States are not large consumers of cheese. Per capita consumption at the present time is about 4.6 pounds per annum, with an annual rate of increase of about 0.92 pound. The large population covered by this per capita estimate, however, allows for a large total consumption which in 1933 amounted to 567,595,000 pounds and in 1934 to 595,636,000 pounds, while an average for the four-year period 1930 to 1933 was estimated to be 558,000,000 pounds. This consumption represents 6 per cent of the total dairy products consumed in the United States.

PRODUCTION AND IMPORTS

While the production of cheese has increased with the increasing population, it has not kept up to demand. In 1930 the production was about 500,637,000 pounds; in 1933, 543,735,000 pounds; and in 1934, 559,705,000 pounds. Almost half of this cheese was produced by the State of Wisconsin, which in 1933 manufactured 238,692,000 pounds of whole-milk Cheddar, and New York State was the second largest producer with 26,286,000 pounds. The spread between consumption and home production, which since 1930 has varied between 25,000,000 and 60,000,000 pounds, has been met by imports,

Imports of cheese in 1930 amounted to 78,261,000 pounds, in 1932-33 to 55,923,000 pounds, in 1933-34 to 46,904,000 pounds, and in the first nine months of 1935 to 30,485,000 pounds. According to Department of Agriculture reports, the noticeable diminution in imports can be attributed in part to increasing home production of Emmenthal cheese, formerly imported from Switzerland. Nevertheless Swiss cheese claims a large share of the imports, amounting to 4,619,000 pounds in the first nine months of 1935; in the year 1930 they totalled 18,000,000 pounds.

Exports of cheese from Canada to the United States showed a steady decline in the years from 1929 to 1934; prior to that period there was an upward trend. According to the returns of the Dominion Bureau of Statistics, the value of the exports of cheese to the United States in fiscal year ended March 31, 1934, was \$157,313 compared with \$2,444,452 in 1928; in 1925 the total was \$161,951.

The detailed figures of imports into the United States in 1934 show that the total of 47,523,895 pounds was made up of the following general classifications:—

	Lbs.
Emmenthaler or Swiss (with eye formation, mainly from Switzerland)	6,819,420
Romano or Pecorino (mainly from Italy)	14,425,660
Parmesan (mainly from Italy)	2,166,895
Provoloni and Provolette (mainly from Italy)	6,942,730
Roquefort (mainly from France)	2,577,818
Other types	14,591,372

This unclassified cheese was supplied mainly from the following countries: Italy, 3,677,847 pounds; Netherlands, 1,577,941; Greece, 1,543,552; Denmark, 1,522,692; Argentina, 1,203,932; Canada, 1,034,074 pounds.

Canadian cheese does not come into direct competition with imported types of cheese. Being a Cheddar, the Canadian product is closely allied with the common types of home-produced cheese, and its opportunities for sale depend, in most sections of the trade, on how close its price can approximate home values, due allowance being made for a premium on quality.

The nearest type to a Canadian Cheddar on the United States market is a good New York State cheese which, it will be noted in the following tables, is second only to supplies from Wisconsin.

It will be of interest therefore to note the receipts of cheese in 1930 and 1934 in the leading United States markets, according to States of origin and including Canada, which were as follows:—

Cheese Receipts: New York, Boston, and Chicago

<i>New York—</i>		1930	1934
Origin:		Lbs.	Lbs.
Illinois		6,145,000	13,365,000
Indiana		1,084,000	1,788,000
Michigan		844,000	1,129,000
Minnesota		329,000	488,000
New York		10,866,000	5,313,000
Ohio		617,000	269,000
Vermont		43,000	479,000
Wisconsin		28,835,000	45,305,000
Canada		2,427,000	299,000
Other		509,000	859,000
Total		52,165,000	69,293,000
<i>Boston—</i>		1930	1934
Origin:		Lbs.	Lbs.
Illinois		1,387,000	1,031,000
Indiana		382,000	106,000
Michigan		132,000	142,000
New York		2,349,000	2,737,000
Wisconsin		9,492,000	14,997,000
Canada		2,000	24,000
Other		3,138,000	385,000
Total		16,882,000	19,422,000

Cheese Receipts: New York, Boston, and Chicago—Concluded

<i>Chicago—</i> Origin:	1930 Lbs.	1934 Lbs.
Illinois	1,853,000	4,510,000
Indiana	396,000	277,000
Minnesota	1,751,000	343,000
New Jersey	319,000	228,000
New York	2,857,000	2,589,000
Wisconsin	49,447,000	24,353,000
Canada	867,000	62,000
Other	1,376,000	518,000
Total	58,866,000	32,880,000

DISTRIBUTION

Canadian cheese does not receive a wide distribution in New York City; it is hardly known among the wholesale cheese houses except by reputation, in comparison to the heavy movement in Wisconsin "Daisies" and New York State "American Flats"; its sale for general consumption is through a few high-class shops or cheese counters of departmental stores. The bulk of the Canadian cheese, however, is stated to be used by processed cheese manufacturers and, to a lesser extent, by cheese biscuit manufacturers. To such firms as these the strong quality of a good Canadian cheese lends flavour to their product; Wisconsin cheese is milder and less concentrated. At the same time, the size of the large Canadian Cheddars is not regarded as an objection by manufacturers, although it is to small retail distributors. Indeed, the large size of the Canadian Cheddars is regarded by the wholesale houses covering the retail dairy produce trade as being one of the main reasons for the lack of popularity of Canadian Cheddars.

SIZES AND PACKING

In the United States cheese made by the Cheddar process has a variety of shapes and distinguishing names. There are the "American Flats" of the same diameter as the common large Cheddar size, i.e., 14 or 16 inches, but weighing only 30 or 40 pounds; "Daisies," which are 12 inches in diameter and weigh about 20 pounds; "Young Americas," which are 8 inches in diameter and weigh from 8 to 12 pounds; "Long Horns," which are 5 inches in diameter and weigh 12 pounds; and "Squares," which are of varying sizes and from 3 to 4 inches thick. Dealers point out that of these sizes the common one for general distribution is either the 20-pound size of the Wisconsin "Daisies" or the 30- to 35-pound size of the "American Flats." These sizes conveniently packed in circular plywood containers do not entail too heavy an investment in a comparatively slow-moving dairy product. Moreover, the small cuts that are thus possible during retail distribution prevent undue waste and loss through drying.

Official regulations of the State of Wisconsin stipulate that single "Daisy" boxes must be 14 inches in diameter, height $8\frac{1}{2}$ inches, with a permitted tolerance of $\frac{1}{4}$ inch from this measurement. These specifications are for *inside* measurement. It is further specified that the veneer used in the boxes throughout must be of single ply, at least one-sixth of an inch thick; or two-ply, each at least one-twelfth of an inch thick. There are a number of other specifications in addition to these already mentioned, but the above dimensions will give Canadian shippers an idea of the general size and style of package common to this market. Further particulars of the State of Wisconsin regulations may be obtained from the Department of Trade and Commerce, Ottawa, by interested Canadian firms, on application.

PRICE TRENDS

The price structure of the United States cheese market is supported by the ruling prices for Wisconsin American Cheddars in the form of single or twin

"Daisies." This mild, quickly manufactured cheese, carefully standardized by State control, is usually available for the market in extremely large quantities at moderate cost.

Prices for each week are established by a Cheese Board which auctions cheese at Plymouth, Wisconsin, on Friday of each week. These prices, while representative of the general market levels, do not constitute the actual prices of a large volume of the business transacted. Brokers in New York and other large consumer cities find it convenient to secure their supplies through a dealer in Wisconsin whose mark and grading can be relied on for standard quality. Prices charged by such dealers are usually slightly higher than the board prices. At the same time, it is necessary to recognize that firms capable of handling carlot shipments frequently have their own representatives in Wisconsin, and the prices at which these purchasing brokers may secure the cheese from the various factories may represent values below the board quotations.

According to Department of Agriculture price reports, the average Cheese Board prices, beginning in June, 1935, at 12.3 cents per pound, rose steadily through the succeeding months to 12.7 cents in July, 13.9 cents in August, 14.1 cents in October, 15.1 cents in November, to 17 cents in December, the highest level of the year, and the highest point for any month since September, 1930.

The same tendency was reflected in the quotations of New York dealers to wholesalers and chain stores. Beginning in May, when the market price in New York for Wisconsin "Daisies" (fresh) was 15 to 15½ cents per pound, the value hardened steadily to from 16½ to 16¾ cents in August, 17 to 17¼ cents in October, and 18½ cents in November. Cured Wisconsin "Daisies," as opposed to fresh cheese, were available in November at from 18 to 19 cents, with some 1934 cheese at 20 cents per pound.

COMMISSIONS

In considering these quotations, it should be added that it is the practice of New York dealers to charge a commission of one-eighth of a cent per pound on shipments in carload lots. On less than carload lots—on lots of 50 boxes or more, which are much more common than carlot shipments—the usual brokerage charge varies from one-quarter to one-half or one cent a pound, according to the services rendered. These charges are usually reflected in the prices made by the dealers to the wholesalers or stores.

New York State cheese, which has been mentioned as resembling the Canadian Cheddar cheese in quality to a greater extent than does the Wisconsin "Daisy," followed the Wisconsin prices at a premium of from 1 cent to 2 cents. In the New York markets during January, 1936, New York State 1934 "Special Flats" (held) were available at from 22 to 23 cents per pound, while New York State "Flats" of 1934 production were being quoted at from 20 to 21 cents per pound. During this period it was understood that Canadian Cheddars were moving into consumption in New York at from 23 to 24 cents per pound for 1934 cheese and about 21 cents for 1935 cheese. It is not known at what price similar cheese was purchased by processors.

The above-noted steady market values for cheese were attributed by authorities in the trade to the low price of cheese in comparison with other agricultural food products. It has been pointed out that, while the general level of food prices from April, 1933, to October, 1935, rose by 38 per cent, and prices of meat even higher, the retail price for cheese increased only 28 per cent. According to the latest price survey of the Department of Agriculture, cheese prices for 1936 are expected to maintain the 1935 level or proceed to even higher values.

COLD STORAGE HOLDINGS

The following table indicates briefly the cold storage holdings of cheese over the period which has just been considered with reference to prices:—

	1935 Lbs.	1934 Lbs.	5-year Average 1929-33 Lbs.
July 1	64,000,000	80,000,000	68,000,000
September 1	93,000,000	104,000,000	86,000,000
December 1	93,000,000	97,000,000	77,000,000
January 1	86,000,000	90,000,000	71,000,000

CHANGES IN DEMAND

While this market is thoroughly familiar with a mild cheese of relatively high moisture content—the limit in Wisconsin “Daisies” as prescribed by the Wisconsin Food and Drug Laws being “not more than 39 per cent”—lately there has developed a demand for a sharper cheese. This change of taste is more pronounced in New York and Eastern centres than in the Middle West, and there is a growing demand for sharp cheese in the Southern States. It is difficult to make any statement on demand for either quality or colour because of the quick change which is noticeable from district to district.

On the whole, it may be said that the trend of public taste in the markets which are most vital to the Canadian shippers is in favour of a cheese resembling the Canadian cure. Greater sales might be experienced if Canadian factories could produce sizes comparable to the popular American styles.

IMPORT DUTY

Under the Canada–United States Trade Agreement which went into force on January 1, 1936, the United States tariff on Cheddar cheese in original loaves, formerly 7 cents per pound with a proviso that the amount of duty payable was not to be less than 35 per cent ad valorem, was reduced to 5 cents per pound and the minimum duty to 25 per cent ad valorem.

AIR MAIL RATES

Any Place in	Postage including Fees for all Air Mail Services Available
1. Canada, Great Britain and Northern Ireland, Irish Free State, Newfoundland or any place in North America not mentioned in Groups 2 and 4	6 cents first ounce 5 cents each ounce after
2. United States, Bermuda	6 cents each ounce
3. Europe (except places mentioned in Group 1)	10 cents each ounce
4. West Indies and British Guiana, Mexico, Cuba, Central America, Africa, Asia (Except via San Francisco—see footnote)	25 cents each ½ ounce
5. Australasia	35 cents each ½ ounce
6. South America	
(a) Colombia, Ecuador, Venezuela, Dutch Guiana, and French Guiana	50 cents each ½ ounce
(b) Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, and Uruguay	70 cents each ½ ounce

Registration, if desired, is additional to the above.

This rate does not apply to air mail despatched by the U.S. “Clipper” service from San Francisco to Hawaii, Guam and the Philippine Islands for which the rate is 25 cents, 50 cents and 75 cents per half ounce, respectively.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice of applications for increases in the import duties on aprons and overalls wholly or partly of rubber (at present 20 per cent ad valorem); fine calendered sheet wholly of rubber, other than sheet imported in long lengths (at present 10 per cent ad valorem); and on hot water bottles wholly or mainly of rubber (at present 20 per cent ad valorem).

In amplification of the announcement in *Commercial Intelligence Journal* No. 1657 of November 2 last, page 792, the committee also give notice that they have now under consideration an application for drawback under section 9 of the Finance Act, 1932, in respect of soya beans used in the manufacture of hydrogenated soya bean oil.

When Canadian products within the meaning of the Imperial preference regulations and consigned direct from Canada to the United Kingdom the foregoing goods are guaranteed duty-free entry by the Canada-United Kingdom Trade Agreement of 1932.

United Kingdom Drawback on Wheat

The Import Duties (Drawback) (No. 1) Order, 1936, of the United Kingdom, effective January 22, provides that drawback equivalent to the amount of duty paid on importation shall be allowed on the exportation, or shipment as stores, of wheat in grain which is exported or so shipped either by the importer or by some person who has taken delivery thereof directly from the importer, in the same state as that in which it was imported, and which has not been used.

The import duty on wheat is 2s. per quarter of 480 pounds, but exemption from duty is accorded to wheat satisfactorily shown to have been grown within the British Empire and consigned therefrom direct to the United Kingdom. The report of the Import Duties Advisory Committee recommending the drawback states that the re-export trade, if viewed in relation to the imports of wheat as a whole, is small and spasmodic, but it is in itself substantial, and that the duty payable on importation constitutes a serious handicap to the British merchant trading with export markets.

Anglo-Spanish Clearing Payments Agreement

The Canadian Trade Commissioner in London writes that the details of a Trade Clearing Payments Agreement between the United Kingdom and Spain, which came into force on January 13, have just been published. The purpose of the agreement is to liquidate the frozen debts owing to United Kingdom exporters and to provide for the disposal of further trade indebtedness.

Under the new arrangement the whole of the sterling balances accruing to Spain as a result of the purchase of Spanish products by the United Kingdom will be specially set aside for discharging debts due to United Kingdom firms supplying goods to Spain.

Newfoundland exporters, who are considerably interested in the Spanish market for fish products, are to receive the benefits of the new agreement.

Irish Free State Duty on Tennis Balls

In order to encourage domestic manufacture of tennis balls, an Irish Free State Executive Order of January 24, 1936, imposes a duty of 50 per cent ad valorem on imports, replacing former rates of 15 per cent general and 10 per cent preferential.

Licence Fee for Commercial Travellers in Trinidad

With reference to the notice in *Commercial Intelligence Journal* No. 1668 (January 18, 1936), page 132, Mr. J. C. Britton, Assistant Trade Commissioner at Port of Spain, advises that the Colonial Treasurer of Trinidad and Tobago issued a ruling under date January 25 that non-resident commercial travellers of firms having resident agents in the colony will not be subject to the trade licence fee of \$50, providing they work through their agents. If orders are solicited which do not pass through the hands of local agents, the non-resident commercial traveller is liable to the tax.

French Quota on Cheese Increased

Mr. Hercule Barré, Commercial Attaché in Paris, cables that the French Government has accorded to Canada a special quota of cheese of 125 metric quintals (27,500 pounds) for the month of February. This allotment is additional to the one of 240 quintals granted to Canada for the first quarter of 1936 (see *Commercial Intelligence Journal* No. 1667: January 11, 1936, page 90).

Hongkong Food and Drug Regulations

With reference to the report in *Commercial Intelligence Journal* No. 1668 (January 18), page 133, Mr. V. E. Duclos, Canadian Trade Commissioner in Hongkong, advises, under date January 6, that the effective date of Hongkong Ordinance No. 8 of 1935, respecting food and drug regulations, has been postponed to July 1, 1936, and that the percentage of milk solids required in the case of "unsweetened condensed or evaporated milk" has been reduced from 27·5 to 25·5 per cent.

Spanish Import Prohibitions

Mr. J. C. Depocas, Assistant Trade Commissioner in Milan, writes under date January 27, 1936, that, in accordance with a Spanish decree published January 24, the import into Spain of dried peas and other dried pulse, soya flour, and beetroot pulp and roots for feeding live stock is temporarily prohibited. Shipments which have left the port of origin direct for Spain before the date of the publication of the decree are excepted from the prohibition.

New Customs Tariff of Guatemala

Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City, writes under date February 3, 1936, that a new customs tariff for Guatemala was promulgated on December 10, 1935, and became effective January 1, 1936. The object of the new tariff is mainly for greater efficiency: commodities have been regrouped and items revised, causing a considerable number of changes in the rates. Such changes, however, have not basically altered the previous situation. Further information as to individual rates can be obtained upon application to the Department of Trade and Commerce, Ottawa.

Reduced Uruguayan Duty on Cedar Posts

Mr. R. G. C. Smith, Assistant Trade Commissioner at Buenos Aires, writes under date January 16, 1936, that cedar posts have been separately classified in the Uruguayan tariff and given an appraisal value of 8 pesos per 1,000 kilograms gross (about \$8.25 Canadian at par rates of exchange). The duty payable on this value is 41 per cent, 25 per cent of which is payable in gold or its equivalent in accordance with the method explained in *Commercial Intelligence Journal* No. 1638 (June 22, 1935). Formerly cedar posts were classified under the item for cedar beams and logs with an appraisal value of 10 pesos per 1,000 kilograms gross.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEBRUARY 10

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending February 10, 1936, with the official bank rate. Quotations for the week ending February 3, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 3	Nominal Quotations in Montreal Week ending Feb. 10	Official Bank Rate
Austria	Schilling	.1407	\$.1892	\$.1893	3½
Belgium	Belga	.1001	.1702	.1702	2
Bulgaria	Lev	.0072	.0139	.0139	6
Czechoslovakia	Krone	.0296	.0418	.0419	3
Denmark	Krone	.2680	.2232	.2234	3½
Finland	Markka	.0252	.0219	.0221	4
France	Franc	.0392	.0667	.0668	3½
Germany	Reichsmark	.2382	.4062	.4069	4
Great Britain	Pound	4.8666	5.0125	5.0062	2
Greece	Drachma	.0130	.0095	.0095	7
Holland	Guilder	.4020	.6847	.6861	2½
Hungary	Pengo	.1749	.2974	.2980	4
Italy	Lira	.0526	.0802	.0804	5
Jugo-Slavia	Dinar	.0176	.0232	.0232	5
Norway	Krone	.2680	.2512	.2514	3½
Portugal	Escudo	.0442	.0448	.0456	5
Roumania	Leu	.0060	.0080	.0077	4½
Spain	Peseta	.1930	.1381	.1382	5
Sweden	Krona	.2680	.2576	.2580	2½
Switzerland	Franc	.1930	.3288	.3301	2½
United States	Dollar	1.0000	.9959	.9981	1½
Poland	Zloty	.1122	.1905	.1907	5
Argentina	Peso (Paper)	.4245	.3330	.3336	—
Brazil	Milreis (Paper)	.1196	.0843	.0845	—
Chile	Peso	.1217	.0508	.0509	4½
Colombia	Peso	.9733	.5740	.5880	4
Mexico	Peso	.4985	.2766	.2772	4-5
Peru	Sol	.2800	.2478	.2483	6
Venezuela	Bolivar	.1930	.2639	.2695	—
Uruguay	Peso	1.0342	.8005	.8016	—
China (Shanghai)	Dollar	.....	.2965	.2992	—
Cuba	Peso	1.0000	.9951	.9973	—
Hongkong	Dollar	.....	.3262	.3288	—
India	Rupee	.3650	.3770	.3778	3
Japan	Yen	.4985	.2918	.2921	3.65
Java	Guilder	.4020	.6882	.6892	4
Siam	Baht (Tical)	.4424	.4574	.4583	—
Straits Settlements	Dollar	.5678	.5847	.5867	—
South Africa	Pound	4.8666	5.0062	5.0000	—
British Guiana	Dollar	1.0138	1.0437	1.0430	—
Jamaica	Pound	4.8666	5.0225	5.0162	—
Other British West Indies	Dollar	1.0138	1.0437	1.0430	—
Martinique	Franc	.0392	.0667	.0668	—
Guadeloupe	Franc	.0392	.0667	.0668	—
Australia	Pound	4.8666	4.0100	4.0050	—
Egypt	Pound (100 Piastres)	4.9431	5.1200	5.1300	—
New Zealand	Pound	4.8666	4.0425	4.0375	—
Argentina	Free	Free	.2749	.2765	—
Brazil	Free	Free	.0568	.0574	—
Chile	Free	Free	.0408	.0408	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

A small flow of gold from New York to Paris and the Netherlands occurred during the first week of February. Approximately \$16,000,000 was engaged for shipment, but it was not anticipated that the movement would continue for any length of time. Announcement was made during the week that arrangements had been completed which would make possible the transfer of a large loan to France from Great Britain without any serious disturbance of the London-Paris rate. The Canadian dollar has recently been weak, barely maintaining its position with reference to the United States dollar, and declining in terms of the pound sterling and the French franc.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Packaged Macaroni.....	79	Batavia, Java.....	Purchase and Agency.
Malt for Brewing.....	80	Shanghai, China.....	Agency.
Hops for Brewing.....	81	Shanghai, China.....	Agency.
Miscellaneous—			
Underwear, Cotton and Cotton Mixture.....	82	Shanghai, China.....	Agency.
Printing Ink.....	83	Singapore, Straits Settlements.....	Purchase and Agency.
Shoe Flax.....	84	Port of Spain, Trinidad...	Purchase.
Paper of all kinds.....	85	Singapore, Straits Settlements.....	Purchase and Agency.
Second-hand Barrels.....	86	Hongkong.....	Purchase.
Household Articles and Washing Machines.....	87	Amsterdam, Holland.....	Agency.
Electric Washing Machines.....	88	Amsterdam, Holland.....	Purchase and Agency.
Agricultural and Garden Implements.....	89	Amsterdam, Holland.....	Agency.
Small Garage Tools.....	90	Dublin, Irish Free State...	Purchase.
Benzol.....	92	Newark, U.S.A.....	Purchase.
Solvent Naphtha.....	93	Newark, U.S.A.....	Purchase.
Toluol.....	94	Newark, U.S.A.....	Purchase.

DIRECT SAILINGS FROM NETHERLANDS INDIAN AND BRITISH MALAYAN PORTS TO MONTREAL

Messrs. Funch, Edye & Company Incorporated, Steamship Agents and Ship Brokers, 25 Broadway, New York, write under date February 1 that the under-mentioned vessels of the N. V. Stoomvaart Maatschappij "Nederland" and N. V. Rotterdamsche Lloyd, will load cargo at ports in the Straits Settlements and Netherlands East Indies for direct delivery at Montreal:—

M/S Madoera: Sails Batavia, June 9; Singapore, June 14; Port Swettenham, June 15; Penang, June 16; Belawan Deli, June 18. Due New York, July 28; Montreal, August 10.

M/S Kota Pinang: Sails Batavia, July 10; Singapore, July 15; Port Swettenham, July 16; Penang, July 17; Belawan Deli, July 19. Due New York, August 28; Montreal, September 11.

This service will permit delivery of merchandise through the port of Montreal to Canadian inland points at a considerable saving to receivers in inland freight charges.

Cargo will be accepted for direct delivery at the port of Montreal at the same rates as are applicable to Halifax.

Inquiries may be addressed to the offices of the Cunard White Star Limited, Montreal, Toronto, Quebec, Halifax, and Chicago, or to Messrs. Funch, Edye & Company Incorporated, New York.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To Liverpool.—Incemore, Feb. 18; Newfoundland, March 7—both Furness Line; Manchester Exporter, Manchester Line, Feb. 21; Montcalm, Feb. 22; Duchess of Bedford, Feb. 29; Montclare, March 7; Duchess of York, March 15—all Canadian Pacific; Antonia, Feb. 23; Andania, March 8—both Cunard-White Star Line; Cold Harbor, Oriole Line, Feb. 25.

To London.—McKeesport, Feb. 17; Liberty, March 13—both American Hampton Roads (call at Dundee); Beaverhill, Feb. 21; Beavertale, Feb. 28; Beaverburn, March 6; Beaverbrae, March 13; Beaverford, March 20—all Canadian Pacific; Aurania, Feb. 22; Ausonia, Feb. 29; Alaunia, March 7; Ascania, March 21—all Cunard-White Star Line.

To Manchester.—Manchester Exporter, Feb. 21; Manchester Producer, Feb. 29; Manchester Commerce, March 7; Manchester Port, March 14; Manchester Citizen, March 21—all Manchester Line; Cold Harbor, Oriole Line, Feb. 25.

To Aberdeen, Newcastle and Hull.—Gitano, Feb. 18; Kelso, March 11—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Bristol City, Feb. 26; Montreal City, March 3; Boston City, March 24—all Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnglen (calls at Dundee), Feb. 24; Cairnross, March 9; Cairnesk (calls at Dundee), March 23—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Feb. 17; Dakotian, March 16—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Norwegian, Feb. 17; Airthria, March 2; Dakotian, March 16; Sulairia, March 30—all Donaldson-Atlantic Line.

To Antwerp.—Beaverhill, Feb. 21; Beaverburn, March 6; Beaverbrae, March 13—all Canadian Pacific.

To Hamburg.—McKeesport, Feb. 17; Liberty, March 13—both American Hampton Roads (call at Hull and Leith); Beavertale, Feb. 28; Beaverhill, March 27—both Canadian Pacific.

To Copenhagen, Gothenburg and Baltic Ports.—Rydboholm, Feb. 17; Blankaholm, March 9—both Swedish-America-Mexico Line; Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, Feb. 17; Drottningholm (does not call at Copenhagen), Swedish-America Line, Feb. 27 and March 23.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Furness-Red Cross Line, Feb. 17; Incemore (does not call at St. Pierre), Furness Line, Feb. 18; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., Feb. 19; Magnhild, Shaw SS. Co., Feb. 22; Belle Isle, Newfoundland-Canada SS. Co., Feb. 24.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Feb. 27; Lady Hawkins, March 12; Lady Drake, March 26—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, Feb. 17 and March 9.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, Feb. 20; Lady Somers, March 5—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Ba, Feb. 26; Lillgunvor, March 11—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, Feb. 22; Chomedy, March 7—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cavalier, Feb. 27; Cathcart, March 12—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silverteak, Feb. 29; Cingalese Prince, March 21—both Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Challenger, Feb. 28; Canadian Constructor, March 27—both Canadian National.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Victor, Feb. 28; Canadian Highlander, March 27—both Canadian National.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Tabinta, Java-New York Line, Feb. 27.

From Saint John

To Liverpool.—Montcalm, Feb. 21; Duchess of Bedford, Feb. 28; Montclare, March 6; Duchess of York, March 14—all Canadian Pacific.

To London.—Beaverhill, Feb. 20; Beaverdale, Feb. 27; Beaverburn, March 5; Beaverbrae, March 12; Beaverford, March 19—all Canadian Pacific.

To Manchester.—Manchester Exporter, Feb. 19; Manchester Producer, Feb. 27; Manchester Commerce, March 5; Manchester Port, March 12; Manchester Citizen, March 19—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Donaldson and Dominion Lines, March 14.

To Glasgow.—Airthria, Feb. 29; Dakotian, March 14; Sulairia, March 28—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnglen (calls at Dundee), Feb. 22; Cairncross, March 7; Cairnesk (calls at Dundee), March 21—all Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head, Feb. 25; Kenbane Head, March 17—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Sonja, Canada-Mediterraneo Line, middle of March.

To Antwerp and Havre.—Beaverhill, Feb. 20; Beaverburn, March 5; Beaverbrae, March 12—all Canadian Pacific (do not call at Havre); Brant County (calls at Rotterdam), Feb. 12; Grey County, March 16—both County Line.

To Hamburg.—Beaverdale, Feb. 27; Beaverhill, March 26—both Canadian Pacific.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Feb. 19; Lady Hawkins, March 4; Lady Drake, March 18—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 3 and 24.

To Kingston and Jamaican Outports.—A steamer, United Fruit Line, Feb. 19.

To Manila, Hongkong, Shanghai and Dalny.—City of Johannesburg, Canada-Far East Line, March 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—Grangepark (does not call at Beira), Feb. 18; Mattawin (calls at Sierra Leone and Lourenco Marques), Feb. 27—both Elder-Dempster Line.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Evansville, Canada-India Service, Feb. 28.

To Montevideo and Buenos Aires.—Nordkap, Canada-South America Line, Feb. 28; Adderstone (does not call at Montevideo), International Freightng Corp., March 17.

From Vancouver

To Yokohama, Kobe and Osaka.—Hikawa Maru, Feb. 29; Hiye Maru, March 14; Heian Maru, April 4—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Asia (calls Nagasaki), Feb. 22; Empress of Canada (calls Honolulu), March 7; Empress of Russia (calls Nagasaki), March 21; Empress of Japan (calls Honolulu), April 4—all Canadian Pacific; Talthybius (calls at Miike but not at Manila), Blue Funnel Line, March 8.

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—A steamer, Feb. 29; Kota Agoeng, March 31—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Niagara, Feb. 26; Aorangi, March 25—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Bear, March 14; Golden Cloud, April 13—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Limerick (calls at Apia and New Plymouth), Canadian-Australasian Line, March 7.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., March.

To London, Liverpool and Cardiff.—A steamer, Reardon Smith Line, March.

To London, Liverpool and Rotterdam.—Nebraska, Feb. 22; Lochmonar (calls at Glasgow), March 7—both Holland-America Line (call at Southampton if inducements offer).

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, Feb. 18; India (does not call at Kingston), Mar. 12—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Jose, Empire Shipping Co., Feb. 24.

To Scandinavian Ports.—Buenos Aires, Johnson Line, March 10.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Cellina, Feb. 22; Fella, March 23—both Empire Shipping Co.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Harpalion, Feb. 18; Brynje, March 30—both Canadian Transport Co.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Tabian, March 9; Silverwillow, April 6—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Leikanger, Feb. 17; Hardanger, March 17—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Ensley City (calls at Avonmouth), B. W. Greer & Son Ltd., Feb. 18; Moveria (calls at Glasgow), Balfour Guthrie & Co., Feb. 19; Gaelic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line Ltd., Feb. 22; Nebraska (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., Feb. 23; Knute Nelson (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Feb. 27; Pacific Shipper (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., Feb. 27.

To United Kingdom Ports.—Mount Atlas, Feb. 17; Rossington Court, Feb. 21; Filleigh, Feb. 24—all Anglo-Canadian Shipping Co.; Tyr, Canadian Transport Co., Feb. 20; San Jose, Empire Shipping Co., Feb. 29.

To Chinese Ports.—Lochranza, Ocean Shipping Co., Feb. 18.

To Yokohama, Kobe and Osaka.—Hikawa Maru, Yamashita Shipping Co., Feb. 20.

To South African Ports.—Ilvington Court, Anglo-Canadian Shipping Co., Feb. 20.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

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J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

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R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

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Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

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South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, February 22, 1936

No. 1673



Section of Institution of Glasgow Corporation at Lennox Castle in the Construction of which Large Quantities of Canadian Douglas Fir and Birch were used. (*See p. 304*)

ISSUED BY AUTHORITY OF
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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, February 22, 1936

No. 1673

MR. COLE TO VISIT BERMUDA

Mr. D. S. Cole, Canadian Trade Commissioner at New York, will pay a visit to Hamilton, Bermuda, in the interest of Canadian export trade, from February 29 to March 14.

Canadian firms interested in trade with Bermuda may communicate with him in care of the Bermuda Trade Development Board, Hamilton, Bermuda.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, will arrive shortly in Canada and will begin his tour of the principal centres in the interest of Canadian trade with Belgium.

The first part of his itinerary is as follows:—

Halifax March 9
Saint John. March 10

Ottawa March 16 and 17
Winnipeg. March 20

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Winnipeg, with the office of the Canadian Manufacturers Association, and for the other cities with the respective Board of Trade or Chamber of Commerce.

CENTRAL CHINA PAPER TRADE

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(The average value of the gold unit during the years 1933 and 1934 was as follows:
1933, U.S.\$0.52; 1934, U.S.\$0.66)

Shanghai, January 6, 1936.—In common with practically all other commercial activities, the paper trade of Central China has been adversely affected by the depression and financial crisis prevailing in this country since the beginning of 1933, and, with the notable exception of newsprint, the demand for paper products in general has suffered. On the other hand, while total imports fell off in 1934 by comparison with the two previous years, paper and paper products nevertheless remained a very important item in China's import requirements.

Taking a long view, it seems evident that China's paper purchases from abroad will steadily expand with the development of the country along modern lines, calling for an increased use of various types of paper products. Apart from the relatively small production of Chinese-type papers which have been made for centuries for use with Chinese inks, and a limited local production of certain grades of woodfree printing paper, the absence of domestic raw material and accessible water-power has left China primarily dependent on imports for her principal paper supplies.

Several local mills manufacturing the papers referred to above employ wood-pulp imported principally from Canada and the United States. Unfortunately,

owing to financial difficulties, the most important local paper-manufacturing firm has been closed for some months, with the result that there has been a decline in the demand for imported wood-pulp.

VALUE OF TOTAL IMPORTS

Total imports of all classes of paper products, excluding wood-pulp, books and maps, into China for the year 1934 were valued at 20,935,000 gold units as compared with 25,000,000 gold units in 1933. Of the total imports for 1934, it was calculated that the port of Shanghai accounted for just under 70 per cent, which will serve as an indication of the relative importance of this city as a distributing centre for the paper trade of China.

Notes on the Principal Import Items

The principal items imported under the heading of paper products consist of newsprint and printing papers, M.G. Cap, paperboard, cigarette, and wrapping paper, and paper-ware.

NEWSPRINT

Newsprint is the chief item of interest to Canada, and below are given the imports of newsprint and common printing paper for the years 1933 and 1934 respectively, along with the chief sources of supply:—

	1933		1934	
	Short Tons	Gold Units	Short Tons	Gold Units
Total	72,934	6,111,440	85,518	6,211,276
Canada	20,606	1,510,910	31,669	1,976,372
Japan	12,632	958,178	16,697	1,270,415
Sweden	7,881	770,499	4,960	442,056
Norway	7,380	677,447	7,252	620,384
Finland	8,249	732,013	5,339	465,579
Austria	3,758	321,046	1,928	169,507
Germany	5,244	515,315	2,610	229,430
United States	4,388	329,625	11,501	747,549
Netherlands	946	99,237	612	52,550
Great Britain	785	74,337	528	41,559

Newsprint imports are not classified separately, the above statistical table including also common printing paper and M.G. Cap in weights over 21·1 grams per square metre. When M.G. Cap is imported in this weight or over it is dutiable at 2·60 gold units per quintal, whereas in weights under 21·1 grams this class of paper pays 5 gold units per quintal.

While no exact tonnage for newsprint can be arrived at from the above figures, it is estimated by importers consulted that newsprint accounts for 75 per cent of the total. Various factors have been encouraging the increased use of newsprint in this market, among them being the low cost of the product itself and the fact that it is being found more economical than M.G. Cap for the printing of cheap Chinese books as, unlike M.G. Cap, newsprint can be printed on both sides. Similarly, newsprint has been displacing woodfree printing paper for certain uses, and reference to the imports of M.G. Cap and woodfree paper, shown later in this report, reflect the change that has been taking place.

Prior to 1931 the China newsprint market was in the hands of Northern European countries and Japan, but with the entry of Canadian West Coast mills into this trade on a substantial scale, the Dominion has risen from being an unimportant factor to first place, aided by the advantage of relative nearness to market as compared with European competitors, thus aiding speedier deliveries. Japan was at one time one of the chief suppliers, but the boycott against Japanese goods in 1931 following the Mukden incident handicapped its sale in this market to the advantage of other sources of supply. Since then consumption of newsprint in Japan itself has been increasing so that the

domestic market has been absorbing a larger proportion of the output, with a consequent falling away in exports to China. On the other hand, Japan has been selling substantial quantities of common printing paper in this market along with M.G. Cap, and the imports credited to Japan in the above table are understood to consist chiefly of these two lines rather than newsprint.

IMPORTS INTO CENTRAL CHINA

Dealing with the trade in newsprint during 1935, on the assumption that this commodity represents 75 per cent of the total imports, the statistics available for the first ten months of the year under the heading of newsprint and common printing paper reveal a substantial increase as compared with the corresponding period of 1934, as will be seen from the following table:—

	Jan.-Oct., 1934		Jan.-Oct., 1935	
	Short Tons	Gold Units	Short Tons	Gold Units
Total	72,974	5,341,672	105,092	6,897,536
Canada	27,044	1,700,128	38,755	2,245,030
Japan	14,743	1,123,389	8,384	673,587
United States	9,712	641,307	13,721	749,426
Norway	6,106	520,779	10,744	849,139
Finland	4,734	412,304	4,666	426,149
Sweden	4,074	375,398	12,915	893,841
Germany	1,844	171,886	11,065	728,051
Austria	1,717	149,184	674	65,572

GERMAN COMPETITION

While the much larger tonnage of newsprint imports into this market is certainly gratifying, particularly in view of the leading position held by Canada, this trade in 1935 has been carried on under rather unsettled conditions owing to the competition offered by German exporters. Up until this year German manufacturers had not been serious competitors, as they had not usually been able to offer competitive quotations. An additional handicap has been the weight of paper used in the China market.

Prior to 1934, the largest section of the Chinese trade was accustomed to import newsprint in weights of around 39 grams per square metre for use in what is known as the dealer trade—that is, for the numerous small hand-printing machines employed extensively throughout the interior of the country, and in 49- to 50-gram weights for the larger newspapers. It is estimated that approximately 60 per cent of China's total imports go to the dealer trade and the remaining 40 per cent to the newspapers. Inasmuch as German producers of newsprint were not interested in supplying paper in weights below 50 grams, they were not favourably placed to quote for the dealer section of the Chinese demand, and as far as the requirements of the newspapers were concerned, German quotations were generally out of line.

EFFECT OF DUTY CHANGES ON THE DEALER TRADE

In July, 1934, however, new customs regulations were issued which altered the situation as regards the weight of paper used by the dealer trade. The duty on reel newsprint had been previously established at $7\frac{1}{2}$ per cent ad valorem, and when imported in sheets the specific duty worked out to approximately 25 per cent of the value. As a result, large quantities of newsprint were imported in reels for cutting into flat sheets in order to avoid the higher duty. To overcome this a new regulation was issued in July, 1934, stipulating that in order to qualify for the $7\frac{1}{2}$ per cent ad valorem duty, reel newsprint must be imported in rolls of not less than 40 centimetres wide and 71 centimetres in diameter, soft-sized, weighing not less than 45 grams and not more than 60 grams per square metre, composed of not less than 70 per cent of mechanical wood-pulp.

As a result of this regulation, the dealer trade adjusted itself to the heavier weights in order to get the benefit of the $7\frac{1}{2}$ per cent duty and reel newsprint is now imported to this market in weights varying from $47\frac{1}{2}$ to 50 grams, thus placing German manufacturers in a better position to meet requirements.

EXCHANGE COMPETITION SCHEME

In addition to the advantage gained by German manufacturers by the increase in weights for the dealer trade, exporters in that country have benefited from the operation of the German exchange compensation scheme which has enabled German firms to cut drastically their export prices. As a result, German newsprint has become a competitive factor in the China market in 1935, and imports from that source, as will be seen from the above table, show a heavy increase.

EXCHANGE COMPENSATION SCHEME

To give an idea of the extremely cheap prices at which purchases from Germany have been effected, it is reported that during August business was placed at as low as £7 1s. per long ton c.i.f. Shanghai. In October and November German quotations were understood to be from £7 7s. 6d. to about £7 12s. 6d. per long ton c.i.f., and current values from that country have ranged from about £7 10s. to £7 15s. Scandinavian mills, which had been quoting around £8 15s. in recent months, have been practically shut out of this market in the face of the cheapness of German newsprint, aided by the exchange compensation, which it is understood has enabled German export quotations for this market to be cut anywhere from 25 to 30 per cent below normal.

RUSSIAN COMPETITION

In addition to German competition, this year Russian newsprint from Odessa has been making a bid for a share of the China market, and it is estimated that approximately 3,000 tons of paper were imported into Shanghai between January and August. As Russia is not shown separately as a source of supply in the statistics, it is assumed that imports from this source appear under the group heading of arrivals from all other countries. This newsprint has been sold at about £6 15s. per long ton c.i.f. Shanghai, but it is understood that the sizes shipped were not satisfactory for this market, which calls for paper in reels suitable for cutting into sheets of 31 inches by 43 inches. In addition, the substance was 54 grams as against the requirements of from $47\frac{1}{2}$ to 50 grams, and the quality was inferior. As a result very little headway has been made by Russian newsprint in the face of German competition at more or less equal prices and of suitable quality and sizes, and sales are understood to have fallen off completely since August.

PROJECTED NEWSPRINT MILL AT WENCHOW

During the past few months the Chinese Government scheme for building a newsprint mill at Wenchow in Central China (about a day's journey from Shanghai by boat), which has been under consideration for some years, is now reported to be receiving the support of the Ministry of Industry. The present proposal is understood to involve the erection of a mill capable of supplying a daily output of 35 long tons, with an annual supply, based on 350 working days, of 12,250 tons. It was originally intended to employ hydro-electric power, but this has since been abandoned in the absence of adequate water-power and it is now proposed to use a coal-fired steam plant. Although the scheme as it stands is understood to have the approval of the Ministry of Industry as far as the technical side of the project is concerned, some doubts have been expressed

by private interests concerning various aspects, including the suitability of the raw material. An additional problem is that of financing. In this connection the Ministry of Industry has been requesting a loan from the British Boxer Indemnity Fund, which so far has not been authorized by the Board of Trustees pending a suitable guarantee.

IMPORTANCE OF SHANGHAI IN THE TRADE

The importance of Shanghai in the newsprint import trade can be gauged by the fact that in a normal year it is calculated that this port, where the leading dailies are located, absorbs about 40 per cent of the total imports of newsprint into China proper. Apart from its own requirements, Shanghai acts as a distributing centre for the Yangtze valley, newsprint for up-country river ports, such as Nanking and Hankow, being transhipped at Shanghai, where sales for the interior are usually arranged.

OTHER PAPER PRODUCTS

With the exception of newsprint, Canada does not rank as an important supplier of paper to China, which is essentially a low-price market, as, broadly speaking, Canadian paper has been found either too high in quality or non-competitive in price in comparison with European countries and Japan. The situation in a number of different products in which Germany is a factor has been further aggravated this year by the low prices quoted by German exporters. However, there are several branches of the China paper trade in which United States manufacturers are enjoying business, and in view of the fact that paper products ranked sixth in importance of all imports into China in 1934, the following brief notes covering the main groups of paper lines sold in this market are submitted for the general interest of Canadian exporters.

PAPER BOARDS

Imports under this heading are understood to include all paste-boards, duplex board, folding box-board, Bristol board, photo mountings, and straw-board. The total imports for 1934 declined to 1,592,000 gold units as compared with 2,441,000 gold units in 1933. Germany was the largest supplier in 1934 with 535,000 gold units, followed by Sweden with 371,000 and Japan with 161,000. Folding box-board is one of the leading items under this heading, and is employed to a considerable extent in the cigarette industry.

CIGARETTE PAPER

Imports of paper for the cigarette industry were valued at 1,827,000 gold units in 1934. This represented a substantial decline from the previous year when imports were valued at 2,808,000 gold units. The cigarette industry, which is largely centred in Shanghai, has been suffering not only from the prevailing economic depression but also from internal revenue taxes, and there has been a decline in the importation of raw materials in recent years. The chief sources of supply in 1934 were the United States (429,000 gold units), France (398,000), Italy (316,000), and Japan (276,000).

COATED AND/OR ENAMELLED PAPER

Imports under this heading in 1934 were valued at 431,000 gold units as compared with 795,000 in 1933. The bulk of these consisted of chromo art paper for printing magazines, calendars, etc. Germany supplies well over half the imports, the balance coming principally from Japan and the United States.

DRAWING, DOCUMENT, BANK-NOTE AND BOND PAPER

Imports in this group were valued at 534,000 gold units in 1934 as compared with 403,000 in 1933.

The largest supplier was the United States, which for some years past has been credited with most of the bank-note and bond writing paper that is consumed in the China market. As far as bank-note paper is concerned, a regulation was passed in June, 1935 (see *Commercial Intelligence Journal* No. 1644: August 3, 1935), placing the sole right of importation of this class of paper with the Trust Department of the Central Bank of China, through which source all printing and engraving establishments must obtain their supplies. The principal object of this legislation is to control and centralize the issue of all bank notes. Although paper notes of small dimensions had been previously in general circulation, recently a considerable additional supply was printed to take the place of the silver subsidiary coinage in use prior to the decision of the Government on November 4, 1935, to withdraw all silver coinage from circulation.

It is understood that the paper for these notes was supplied from the United States in a somewhat cheaper quality than the grade employed in the manufacture of the regular \$1, \$5, and \$10 bank notes.

Apart from the United States, the United Kingdom has been the most important competitor for the bank-note trade of this market.

In bond writing paper the United States is also the leading source of supply. The China market for bond papers calls for a cheap article; one American make holds a very strong position.

GLAZED, FLINT, FRICTION, PLATED, AND MARBLED PAPER

Imports in this group were valued at 463,000 gold units in 1934. The business was almost evenly divided between Austria, Belgium, and Germany. The most important item in this classification is glazed coloured paper, used on boxes, etc.

M.G. CAP, WHITE OR COLOURED, MADE CHIEFLY OF MECHANICAL WOOD-PULP

M.G. Cap, weighing less than 21.1 grams per square metre, is included under the above classification as distinct from the heavier weights of M.G. Cap which are grouped with common printing and newsprint, as referred to earlier in this report. M.G. Cap is sold in size of 25 inches by 44 inches and pays a duty of 5 gold units per 100 kilograms. Total imports fell from 2,469,000 gold units in 1933 to 1,200,000 in 1934, owing to the gradually declining demand for this class of paper in favour of newsprint, for reasons already reported. It is anticipated that the market for M.G. Cap will probably show a further shrinkage next year. Scandinavian countries and Japan are the principal sources for M.G. Cap.

PACKING AND WRAPPING PAPER

Imports under this heading amounted to 837,164 gold units in 1934 as compared with 892,000 in 1933. Included in this group are striped sulphite wrapping, yellow buff paper for cheap envelopes, buff paper for salt bags, and cotton wrapping paper. Sweden, Norway, and Japan combined account for over half the total, Sweden being the most outstanding of the three.

KRAFT PAPER

Total imports of kraft paper were valued at 1,119,000 gold units in 1934 as compared with 870,000 in 1933. Sweden was credited with 506,000 gold units,

Finland with 190,000, Japan with 136,000, and Austria with 116,000. Canada has from year to year sold small quantities—11,719 gold units in 1934 as compared with 2,484 in 1933. Kraft paper is sold in sheets 31 inches by 43 inches in weights 41, 49, 59, 69, 79, 89, 104, 124, 139, to 199 pounds per ream. Quotations have lately been about £15 12s. 6d. per long ton c.i.f. Shanghai, put up in reams of 500 sheets. The duty is 5 gold units per 100 kilograms.

PARCHMENT, GLASCINE, PERGAMYN, AND GREASE-PROOF PAPER

Total imports in 1934 reached 724,000 gold units as compared with 709,000 in 1933. Germany accounted for the largest proportion in 1934 with 268,000 gold units, followed by the Netherlands with 114,000 and Japan with 101,000. Canada was credited with 2,327 gold units in 1934, probably grease-proof paper. The chief item under this heading is glascine parchment. Cellophane paper is also included in this group, and is reported to be gaining ground at the expense of glascine.

SIMILI PAPER

This item, which is described as a better grade than ordinary woodfree printing paper, comes almost entirely from Norway and Japan. The total imports are not large, being valued at 372,000 gold units in 1934 as compared with 437,000 in 1933.

TISSUE PAPER

Total imports of tissue paper were valued at 441,000 gold units in 1934 by comparison with just over 272,000 in 1933. This paper is principally employed for wrapping purposes, for thin copies of office correspondence, etc. Norway and Sweden practically control this business.

WRITING PAPER

Imports under this heading consist mainly of woodfree paper employed as foolscap for writing, etc., as distinct from woodfree paper imported for printing. Imports fell from 505,000 gold units in 1933 to 246,000 in 1934. This business is divided between half-a-dozen European countries and Japan; the largest single supplier in 1934 was Austria with 51,000 gold units.

WOODFREE PRINTING PAPER

Imports of this class of paper dropped in value from 2,532,000 gold units in 1933 to 1,319,000 in 1934. This class of paper is used principally for the better class of books, office records, etc., but, as pointed out earlier in this report, the relatively low cost of newsprint has resulted in a growing consumption in the printing of certain kinds of books at the expense of woodfree printing. Norway (268,000 gold units) was the largest supplier in 1934, followed by Japan (207,000), the United States (199,000), Germany (156,000), and Austria (122,000).

PRINTING PAPER, NOT OTHERWISE RECORDED

Imports of this class of paper were valued at 527,000 gold units in 1934 as compared with 294,000 in 1933. This item is said to include principally a grade of paper half-way in quality between common printing and woodfree printing paper. Japan was outstandingly the chief source of supply in 1934 with 267,000 gold units, followed by Norway with 95,000.

WALLPAPER AND PAPER, EMBOSSED, METALLIC, OR OTHERWISE DECORATED

Imports under this heading were valued at 127,000 gold units in 1934 as compared with 154,000 in 1933. The principal item is wallpaper, the demand

for which in Shanghai and Central China generally is limited by climatic considerations owing to the high humidity in the summer months, plus the fact that the paste used with wallpaper attracts an insect which destroys it.

Broadly speaking, with the exception of a modest demand for floral borders and occasional orders placed for foreign-style houses, the limited outlet which does exist for wallpaper seems to be among the cheaper-style restaurants and Chinese hotels. This latter trade, however, calls for a cheap class of paper.

Out of the total imports in 1934, Japan was credited with 47,742 gold units and Germany with 38,704. Imports from the United States were valued at 8,693 gold units and from Canada at 1,916 (689 in 1933).

PAPER (NOT OTHERWISE RECORDED)

Imports under this heading rose in value to 978,000 gold units in 1934 from 733,000 in 1933. Japan (286,000 gold units) led the supplying countries in 1934, followed by Norway (151,700), Germany (127,500), and Sweden (102,000). Canada was credited with 5,891 gold units as compared with over 18,000 in 1933.

Included in this section are large Jumbo toilet rolls imported into Shanghai for making into retail sizes of rolled toilet paper. Until recent years Canadian paper has been purchased by local manufacturers but competitive prices from Europe have diverted this business. The leading manufacturer in Shanghai is now importing this tissue from Europe in Jumbo rolls suitable for creping locally.

PAPERWARE

Total imports of paperware in 1934 declined to 1,966,000 gold units from 2,738,000 in 1933. The leading source of supply in 1934 was Great Britain (701,000 gold units), followed by the United States (551,000), Japan (262,000), and Germany (143,000). Canada was credited with supplying to the value of 15,700 gold units in 1934 as compared with 5,500 in 1933.

Paperware embraces a wide variety of miscellaneous articles made from paper or paper board, among which are included the following: paper drinking cups, various types of stationery and envelopes, cardboard ware, cartons, stiffeners, ignition and manifold paper, joss-paper, paper hats, paper lanterns, paper filters, paper for telegraphic instruments, tracing paper, adding machine and cash register paper, printed labels, crêpe paper, litmus paper, blank music paper, carbon and blotting paper, napkins and towels, photo mounts, gummed paper and stickers, and lined stencil paper for duplicating machines.

Interested Canadian firms who have not previously investigated this market and who feel that they would be in a position to compete are invited to communicate with the Canadian Trade Commissioner, Shanghai, in regard to any individual items referred to in this report, and are encouraged at the same time to forward c.i.f. prices along with full particulars in order to facilitate inquiries being made on their behalf.

GERMAN WOOL MARKET

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, January 29, 1936.—It is one of the anomalies of the present business situation in Germany that, as result of the rigorous control of import and foreign exchange transactions, the country's extensive requirements of raw materials are now being imported to an appreciable degree from other than usual sources of supply, also that inferior grades of or substitutes for such goods are frequently replacing traditional qualities. Germany has been an occasional purchaser of Canadian wool, but the trade has been a spasmodic one.

Under conditions which have prevailed during the last two years, however, there has been a considerable increase in the market's interest in this Canadian product, not only in comparison with wools of other origin but also in comparison with other Canadian goods which are or have been exported to this country.

The following analysis of local wool market conditions may accordingly be of interest to Canadian producers and exporters, although it must be emphasized that existing opportunities have accrued from a general business situation which is probably of temporary duration only. It is also to be noted that wool exports to Germany can be arranged only in compensation for complementary sales of German products to the Canadian market.

SHEEP FARMING

The annual live stock census of December, 1935, shows the sheep population in Germany as 3,920,000 head, an increase of 438,000 head over the corresponding figure for 1934. Although this is not considered as commensurate with the strenuous efforts which have been made to increase domestic sheep holdings, it is hoped that further measures in the way of loans to sheep-breeders and compulsory stock improvement may eventually result in Germany's requirements for wool being supplied from domestic sources to an extent of from 40 to 50 per cent rather than the present figure of from 3 to 5 per cent.

Prior to the intensive industrialization of this country in the last hundred years and the specialized development of sheep farming in overseas countries, Germany was practically self-sufficient in so far as its wool requirements were concerned. In the late seventies of the last century the German sheep population, at its peak, is supposed to have exceeded 25,000,000 head. The decline from this level may be partly ascribed to the increased demand on the part of exporting industries for raw wool at world prices, but with artificial stimulation of production and exports it is now hoped that Germany may recover a more independent position. It is questionable, however, whether this can be accomplished in the face of limited pasturage areas and higher costs of production without continued artificial support to both wool and mutton prices and a consequent burdening of consumers, but as present wool stocks are liquidated and foreign exchange restrictions persist, some measure of success in this direction may be achieved.

DOMESTIC WOOL PRODUCTION

A preliminary estimate of the German wool clip in 1935 places it at approximately 15,500 metric tons of wool in the grease. This figure represents an increase of about 900 tons over the figure of 14,600 tons for 1934 and 1,300 tons above the 1933 clip of 14,200 tons, the lowest level recorded during the last ten years. Since the beginning of the year 1933 the disposal of the German wool clip has been facilitated by official regulation of the content of German wool in all cloths manufactured for governmental account. As result of these stipulations, the demand at recent wool auctions could only be filled to an extent of about 7 per cent. Stabilized prices for German wool are at present believed to be about 30 per cent above the world market for equal and even superior grades.

GERMAN WOOL IMPORTS

Germany's wool purchases from abroad have recently been the largest single item in her whole import trade, amounting in 1934 to 138,940 metric tons with a value of R.M.245,176,000, or about 6 per cent of the total value of imports during the year. This quantity represented a decrease from the previous year's high figure of 151,991 metric tons valued at R.M.184,894,000, purchased in advance of rising prices and anticipated restrictions against the payment for and utilization of foreign wools. In normal years Germany is believed to have consumed some 15 per cent of the world's total exportable surplus of wool,

although increased production of rayon and other textile substitutes, as well as declining export demand for German woollen goods, has somewhat lessened the importance of this country as a factor in world trade in this commodity.

The following summary of the types and conditions of wool imported into Germany during the first eleven months of the years 1934 and 1935 gives a clear indication of recent trends in this business:—

German Wool Imports, January to November, 1934 and 1935

Type	1934		1935	
	M. Tons	R.M. 1,000	M. Tons	R.M. 1,000
Merino—				
In the grease	64,296	116,707	55,038	65,705
Washed	1,322	2,850	1,032	2,246
Scoured	7,811	20,784	11,055	29,370
Crossbred—				
In the grease	48,028	74,028	41,390	51,783
Washed	3,508	6,129	2,937	4,387
Scoured	9,943	20,875	8,347	16,874
Total imports	134,908	241,373	119,799	170,365

From the above figures it will be apparent that reductions have taken place in imports of all types of wool except scoured merinos, but in comparing these results with those for the year 1933, prior to the establishment of control measures over utilization and importation, these changes are even more marked. In normal years certain quantities of wool have been re-exported from Germany to neighbouring countries after scouring and further improvement, although in recent months it has been necessary to place prohibitions on such trade and to conserve all available supplies for domestic use.

SOURCES OF SUPPLY

During the calendar year 1934 imports of wool into Germany from chief sources of supply were as follows: Australia, 44,964 metric tons (R.M.92,-001,000); South Africa, 20,564 tons (R.M.34,779,000); New Zealand, 19,915 tons (R.M.32,785,000); Argentina, 20,575 tons (R.M.28,505,000); Uruguay, 10,322 tons (R.M.17,677,000); United Kingdom, 4,772 tons (R.M.9,950,000); and Belgium, 3,018 tons (R.M.8,522,000). The latter two countries may be assumed to have supplied the bulk of the high-quality washed and scoured wool imported into Germany following processing and re-exportation. Imports of Canadian wool are not shown separately in the German trade returns, such shipments as have eventually reached this market having apparently been shown as of United Kingdom or other origin.

As a result of conditions affecting payments for imported wools, a marked dislocation has taken place in the sources of Germany's most recent wool purchases. This is indicated in the following table showing comparative figures for the first nine months of the three years 1932, 1933, and 1934:—

Imports of Wool into Germany by Countries of Origin, January to September, 1932, 1933, and 1934

Country of Origin	Merino Wool		Crossbred Wool		
	1932	1933	1932	1933	1934
	Figures in Metric Tons*				
Australia	45,785	44,333	17,257	3,815	2,358
South Africa	20,881	19,929	32,878	728	410
United Kingdom	3,938	2,938	15,983	11,546	10,341
Argentina	3,674	3,718	8,542	14,883	14,503
France	7,040	3,764	8,890	15,174	9,846
Belgium	5,954	3,798	8,331	6,825	7,908
Uruguay	2,271	988	1,703	9,240	7,813
New Zealand	1,403	975	117	18,709	19,057
Brazil	605	326	1,198	753	1,104
Other countries	2,371	4,464	5,229	4,561	8,004
Total imports	93,922	85,238	99,128	86,234	81,344
					68,125

* Figures include wool in the grease and washed wools as well as tops, converted on a weight basis for wool in the grease.

Imports of fine merino wools from Australia during the first nine months of 1935 were 17·4 per cent of the total imports of this grade, whereas in 1933 the corresponding figure was 48·7 per cent. While Australia has temporarily lost a market of considerable importance, a large part of the demand for merino wools has now been diverted to South Africa and England. The figures for the latter country include, of course, wool which has been scoured, washed, and combed, and which has been re-exported to this market under the Anglo-German clearing agreement. At the same time, however, imports of merino and crossbred wools from other countries which do not export such grades to Germany under normal circumstances increased during the same period from 2·7 per cent and 9·3 per cent of the total exports to 14·3 and 22·5 per cent respectively.

These few figures are sufficient to show the change which has taken place in three years in so far as Germany's sources of supply of wool are concerned. Such a dislocation, however, can be assumed to have taken place only at great sacrifice to consumers, particularly those requiring the highest grades of merino wools, the current shortage of which is a considerable hardship.

MEANS OF PAYMENT

The anomalous position described above may be attributed to the means of payment existing in the case of each wool-supplying country during the past two years. Australia and New Zealand have suffered the heaviest losses, wool imports from these countries having only been permitted through barter transactions on a 1 : 1 basis. Purchase prices approved until recently for wool imported from these countries, however, have varied from 20 to 30 per cent above world market prices. South Africa's sales to this market have increased as result of the maintenance of a wool payment agreement providing for the exchange of German industrial products. Approved prices in this instance have been competitive with world market prices for the types and grades involved. Purchases from Argentina have been made possible under quotas included in the clearing agreement between the two countries, while such South American countries as Chile, Brazil, Uruguay, and Peru have also been able to increase their sales to this country by the utilization of special accounts and through the disposal of Aski marks at favourable rates. In the case of private barter transactions with all countries with which no clearing agreements exist, including Canada, wool is regarded as a commodity essential to German economy and can be imported at a 1 : 1 ratio. (See *Commercial Intelligence Journal* No. 1670: February 1, 1936, page 191.)

CONTROL MEASURES

Due to declining stocks of wool in Germany, particularly of high-grade merino wools, it has been found necessary to supplement the control over importation and payment for wool by measures designed to secure the maximum economy in its utilization. In addition to the compulsory use of domestic wool by weavers filling government contracts, spinners and combers have been allotted basic annual consumption quotas, which are adjustable to seasonal fluctuations in demand, based on the total available stocks of various types. In view of South Africa's increasing importance as a wool supplier, it has even become necessary to limit the amount of South African wool which can be utilized for certain purposes. A basic quota of 60 per cent of the available South African wool must be granted to cloth weavers, and of this amount 60 per cent again can only be given weaving mills for export requirements. The 40-per-cent balance of the total is available to manufacturers of woollen goods other than cloth or fabrics, of which 60 per cent again must be set aside for exporting industries. Thus 50 per cent of the total supply of wool from South Africa must be diverted to exporting firms.

Similar regulations have not yet been applied to wools from other sources, but in all cases it may be assumed that manufacturers catering purely to the domestic market are suffering as a result of the preference shown to exporters of woollen goods. It has been estimated that spinning, scouring, and combing mills have reduced their operating time from 48 hours to approximately 36 hours per week as result of the rationing measures already effected.

GENERAL MARKET CONDITIONS

At the end of December, 1935, stocks of wool tops in the hands of the five German combing mills amounted to 3,646,000 metric tons in comparison with 5,337,000 tons on the same date last year and 8,640,000 tons the year before. Although stocks of washed wool show an encouraging increase from 2,221,000 metric tons in December, 1934, to 3,376,000 tons in December, 1935, there is at present an acute shortage of all the higher grades. Certain operating readjustments have already been made by weaving mills to compensate for this shortage, but the situation will explain in part Germany's abnormal interest in sources of supply of wool which, while inferior to the qualities available in Australia and South Africa, may at least be acceptable for ordinary purposes.

POSITION OF CANADIAN WOOL

Recent German trade returns do not list Canada as a wool supplier, but it is known in local trade circles that small lots have been regularly shipped to this country in past years, particularly through connections in the United Kingdom. Recent Canadian figures, however, indicate that direct shipments to Germany of wool in the grease during the first eleven months of 1935 were valued at \$58,552. Although the quality of Canadian merino and crossbred wools does not compare with similar types from Australia, New Zealand, and South Africa, interest on the part of German buyers in all types of wool which Canada can offer for export may be expected to persist as long as present import restrictions obtain and the means of concluding barter arrangements are available. As a preferred product, wool can be imported from Canada through barter transactions on a basis of 1 : 1. As a result of the recent revision of import regulations, prices received by overseas exporters of wool may not be as favourable as those paid by German buyers in the past.

This office has recently received a number of inquiries from reliable local wool dealers who are desirous of purchasing Canadian wools against the delivery of German merchandise in Canada. Canadian exporters of wool who already have suitable connections for arranging barter transactions can be put in touch with these firms on application, while samples of wool available for shipment, together with lowest quotations, should be provided.

ECONOMIC CONDITIONS IN THE UNITED STATES IN 1935

D. S. COLE, CANADIAN TRADE COMMISSIONER

I

New York City, February 1, 1936.—The year 1935 closed with business conditions at the highest level in more than five years, and with signs of recovery more widespread than at any time since the turn of the depression in 1932. The year opened with business on the rise, the slackening that followed was chiefly seasonal, and since midsummer production and trade have made steady gains. On the average 1935, according to the Federal Reserve Board's index of the volume of industrial production, shows a gain of 13 per cent over 1934.

The year was one in which the Government as manager, collector, and spender largely figured in the fields of finance, factory, and farm, although far

less in the second half after the National Industrial Recovery Act was declared unconstitutional. It was noteworthy also for the gold clause decision.

Crops were more satisfactory than in 1934, farm products on the average brought better prices, and the farmers have had a larger income. Workers have had more employment, and the industries greater earnings. Values of most kinds of property, including stocks, bonds, and city and farm real estate, have improved. Money has been abundant at unprecedentedly low rates. Foreign trade has shown a fair increase.

Many of the industries continue depressed. Industrial construction, heavy railway and utility equipment, and to some extent the railways themselves, have lagged behind. On the other hand, some industries—electric power, rayon, shoes, washing machines, and electric refrigerators—have exceeded the 1929 peak and have set records in production or sales.

The revival has affected, in an increasing degree, the durable goods industries, where most of the unemployment exists, and where a sharp expansion must take place before a sound recovery can be achieved. There has been a marked increase in orders for machine tools, large and sustained advances in iron and steel production, continued recovery in the automobile industry, and a moderate revival in privately financed residential building construction.

There has been a renewed activity in the market for new securities. The great bulk of new issues represented refunding operations and public borrowing rather than new corporate capital.

IRON AND STEEL INDUSTRY

Steel operations during 1935 served for the first time in five years to take the steel industry out of the "red," although with activities still limited to approximately one-half of capacity, the margin of net earnings was uncomfortably low. For the first nine months of 1935 steel companies representing over 83 per cent of the ingot-capacity of the industry reported earnings equivalent to 0·6 per cent on capitalization, which compares with a loss of 0·2 per cent in the corresponding period of 1934.

According to the report of the American Iron and Steel Institute, the production of steel ingots for 1935 was 33,425,576 tons compared with 25,599,118 tons in 1934, an increase of 7,826,458 tons or about 30 per cent. The 1935 total is the largest for any year since 1930. Operations for the year averaged 48·55 per cent of capacity compared with 37·28 per cent in 1934; the average operations over 1930 had been 63·09 per cent. The pig-iron production was estimated at about 21,000,000 tons compared with 15,912,000 tons in 1934, an increase of over 5,000,000 tons or about 31½ per cent.

The past year was one of the most active in new construction work in the steel industry itself. Practically every important unit has been building new mills or modernizing present plants.

The automobile industry, the chief buyer of iron and steel products, which took 21 per cent of the steel production in 1934, increased its proportion to 25 per cent in 1935, while the railroad proportion declined. The railroads took only 6½ per cent in 1935 as against 10½ per cent in 1934; agriculture, 9½ per cent in 1935 as compared with 7½ per cent; and the metal container industry, 11½ per cent as against 10 per cent.

The number of employees on the pay rolls of the steel industry has reached a total close to that in the peak years of 1928-29. Since the low point of the depression, the steel companies have added 226,000 persons to their pay rolls. The total pay rolls for the year are estimated at \$550,000,000 compared with \$457,843,000 in 1934. The steel industry in 1935 paid an average wage rate of 66·5 cents per hour, approximately 10 per cent higher than the average for all other industries.

AUTOMOBILE INDUSTRY

In the course of 1935 the advancing operations of the automobile industry were without question the most important single factor of a business character in the improvement in general economic conditions which took place during the year.

The strong upward demand for the industry's 1936 models, since their introduction early in November, indicates that the recovery movement in automobile sales has not yet reached its peak. Despite the sharp gains in sales during the past three years, there still exists a large deferred-replacement demand, accumulated during the depression period, which promises the industry a large share of further expansion in national purchasing power.

STATISTICS OF THE INDUSTRY

According to the report of the Automobile Manufacturers Association, there were 4,150,000 vehicles produced, of which 3,400,000 were passenger cars and 750,000 motor trucks. The wholesale value of these vehicles was \$2,186,400,000. With the value of parts, tires, and accessories added, the wholesale value of the output is estimated at \$2,999,500,000. The 26,000,000 registered motor vehicles consumed 16,150,000,000 gallons of gasoline with a total retail price, taxes included, of \$3,260,000,000, and 485,000,000 gallons of lubricating oil valued at retail at about \$504,000,000. The \$1,288,000,000 paid by car-owners during the year in special motor-vehicle taxes and fees represented 13 per cent of all tax collections.

The number of commercial vehicles in operation in this country reached a record high of 3,550,000, while passenger-car registrations increased by almost 1,000,000 units to 22,400,000. It is estimated that 71 per cent of all the motor vehicles in the world are in the United States. Of the total output, 13.6 per cent was sold in foreign countries. The railroads of this country carried 3,422,000 carloads of automotive freight in 1935.

The position of the automotive workers from the standpoint of earnings and employment opportunity has benefited from the increased business. The average number of workers in the industry during the first ten months of the year exceeded 323,090, a 10-per-cent increase over the same period of 1934, and the total earnings of the workers for this period were about \$378,802,000, almost 27 per cent above the 1934 figure.

A division of one of the large automobile manufacturing companies has announced that it has set aside \$1,000,000 from which it will pay its dealers \$20 for each old car the dealers scrap during the month of January, 1936.

BUILDING AND CONSTRUCTION

Substantial progress was achieved in building and construction during 1935, when all awards reported increases over the 1934 contracts. Towards the latter part of 1935 heavy public works projects brought up the value of contracts awarded. As a result of the activities of the Federal Housing Administration, from the summer of 1934 until December 23, 1935, loans were made on 692,622 projects involving credit advances of \$249,170,762 on an estimated total of \$569,799,006 of work pledged in the better housing program.

According to the reports of the *Engineering News Record*, the total value of contracts awarded during 1935 was \$1,590,151,000 as compared with \$1,360,596,000 in 1934. The totals were made up as follows:—

	1935	1934
Private awards	\$ 371,139,000	\$ 241,263,000
Public awards	1,219,012,000	1,037,600,000
Federal awards	359,004,000	278,166,000
State and municipal	860,008,000	759,434,000

DISTRIBUTION OF COSTS

A wide field of industry is benefiting from the growing expenditures being made for new construction and renovation work. It is estimated that on an average of each dollar expended in renovation work, 31 per cent is for lumber, 25 per cent for paint, $11\frac{1}{2}$ per cent for heating equipment, 15 per cent for plumbing, 10 per cent for roofing, $4\frac{1}{2}$ per cent for cement, and 3 per cent for electrical equipment work. A breakdown of the new construction dollar discloses an even wider distribution of costs. A study conducted by the Bureau of Labor Statistics shows the percentages as follows:—

Masonry, 15; cement and concrete, 10; structural steel, 9.5; plumbing, 9; carpentry, 6; lathing and plastering, 6; builders' fees, 5.5; heating and ventilating, 4.2; manufactured metal products, 3.8; electrical work and fixtures, 3.8; excavating and grading, 3.2; elevators, 2.5; painting and decorating, 2.5; architects' fees, 1.8; engineering and supervision, 1.8. The balance of 10.9 per cent was made up of items representing less than 1 per cent each of the total, including glazing, roofing, weather-proofing, and tiling.

The lumber industry made a striking recovery in 1935, when production reached a level of 75 per cent over the depression low of 1932. Output aggregated $17\frac{1}{2}$ billion feet as contrasted with 15 billion feet in 1934, 14 billion feet in 1933, and 10 billion feet in 1932. Another industry showing a big increase during 1935 over 1934 was paint and varnish.

TEXTILE INDUSTRY

The cotton-textile industry experienced the sharpest reversal of conditions in its history in the second half of 1935; the knit goods and rayon fields also passed through a period of extremes. Harassed in the first six months of the year by uncertainty created through the pending gold decision, lack of buying, weak prices, and the collapse of the National Industrial Recovery Act, the industry made remarkable recovery in the final half. Huge orders by the Government for all kinds of textiles provided the initial incentive and gave the market a degree of strength. With this encouragement regular outlets began to operate more freely and within the space of a few weeks the market changed from a dormant state to a very active one.

New business in wool goods slackened off towards the end of 1935, as the inventory period approached and the usual lull in demand for late December made itself felt. However, this decline was seasonal, since unfilled orders remained at record-breaking proportions. The estimated unfilled orders were placed at 45,000,000 linear yards.

The mills were also in a strong position with relation to their stocks at the close of 1935. Manufacturers had some large stocks of wool and yarn on hand which were acquired at lower prices than those prevailing; apart from those, inventories are expected to be conservative among the mills. Mill activity continued at a high pitch through the last quarter, and there is at present no sign of a let-up in either weaving or spinning establishments before spring.

Production in 1935 of stable fabrics amounted to about 7,500,000,000 square yards, a gain of about 5 per cent over 1934, but still under the 1933 figure, when the N.R.A. "boom" increased output to more than 8,000,000,000 square yards.

The rayon industry also experienced difficulty during the first part of the year, but finished the year in a strong position. Production went to a new all-time record of about 235,000,000 pounds of yarn. The advances made in the spun rayons were of chief interest to the industry. The knit goods markets came back strongly during the second six months of 1935, woollen goods particularly.

COTTON LOAN

The latter half of 1935 brought out numerous factors especially encouraging from the American standpoint. These included expectations of a further rise in

exports, the rise of both world and domestic consumption of United States cotton, and price levels which have enabled competition with foreign growths. At the end of the 1934-35 season the Government replaced the 12-cent loan by a new provision, which fixed the new loan level at 10 cents per pound, and a guarantee to the producer who sells his cotton, a bounty representing the difference between the average price of the ten leading spot markets on the day of the sale and 12 cents per pound.

STATISTICAL POSITION OF THE INDUSTRY

The end of the 1934-35 season found the world carryover of a total cotton stock at 13,904,000 bales, of which 9,041,000 bales were American and 4,863,000 bales were foreign. The carryover of United States cotton showed a reduction of 1,660,000 bales from 1934, while the carryover of foreign growths was down 1,186,000 bales. The world cotton carryover was down 2,846,000 bales.

From the market point of view, an important fact was that at the end of the season the United States Government was financing holdings by growers totalling 6,100,000 bales, including spots and futures, or a quantity equal to about 67 per cent of the American carryover and about 44 per cent of the world carryover. Domestic mills consumed 5,241,000 bales of American cotton in 1934-35 compared with 5,553,000 bales in the previous season. World cotton consumption aggregated 25,428,000 bales as against 25,677,000 bales in the 1933-34 season. World use of United States cotton amounted to 11,206,000 bales compared with 13,780,000 bales in the 1933-34 season.

The following statistics compiled by the New York Cotton Exchange show the cotton consumption for the calendar years 1935 and 1934:—

	1935 Bales	1934 Bales
World foreign cotton use	14,250,000	13,131,000
World use of United States cotton	11,450,000	12,490,000
World all cotton use	25,700,000	25,621,000
All cotton use in the United States	5,617,000	5,419,000

NEWSPRINT

A report, *Newsprint Paper in 1935*, issued by the Newsprint Service Bureau, indicates that the production of 4,021,000 tons of newsprint paper in North America for 1935 was 3 per cent above that of 1934 and was 91 per cent of the 1929 tonnage. Of this amount, Canada supplied 69 per cent, the United States 23 per cent, and Newfoundland 8 per cent. Mexico supplied 20,000 tons, about the same amount as in 1934.

The Canadian output of 2,753,000 tons of newsprint paper exceeded the 1934 production by 6 per cent and the 1929 production by 2,400 tons or 1 per cent. The United States output of 912,000 tons was 5 per cent below the 1934 supply and 34 per cent below the 1929 production. The output in Newfoundland amounted to 336,000 tons, 6 per cent over 1934 and 31 per cent above 1929 production.

Shipments from the paper mills of the United States and Canada equalled production during 1935 and at the end of the year total mill stocks amounted to only 40,000 tons. This was the smallest mill tonnage at any year-end since 1926.

The United States imports of newsprint paper in 1935 totalled 2,383,000 tons, about two and a half times the domestic production. Of the imports, 87 per cent was credited to Canada, 8 per cent to European countries (Sweden, Finland, Norway, and Germany), and 5 per cent to Newfoundland. Imports from Europe (197,000 tons) were 50,000 tons or 34 per cent greater than the imports in 1934.

The consumption of newsprint paper in the United States was approximately 3,300,000 tons in 1935, an increase of slightly less than 8 per cent above the 1934 consumption of 3,058,000 tons. During 1935 the production of newsprint paper in the United States amounted to less than 28 per cent of the consumption.

AGRICULTURAL SITUATION

Preliminary figures by *Standard Statistics* indicate that the crop year ending June 30, 1936, will see a continuation of the steady rise in farm purchasing power that has been in progress since 1933. Crop yields will be well above those of the year ending June 30, 1934, when the country was visited by the worst drought in its history. The value of crop production will be approximately \$5,632,000,000 compared with \$5,467,000,000 in 1934. The farm value of live stock and live stock products is placed at \$4,280,000,000, which represents a very large increase over the 1934 total of \$3,327,000,000.

The government loan on cotton has been reduced from 12 cents to 10 cents per pound. The cotton crop is 10,734,000 bales against 9,636,000 bales in 1934. The total value of cotton and cotton seed is placed at \$873,630,000 against \$767,772,000 in 1934, a rise of 14 per cent.

Wheat yield was again short, black rust destroying about 35 per cent of the spring crop and an early drought reducing the production of winter wheat. The farm value of the crops is placed at \$512,500,000 as compared with \$436,872,000 in 1934. The combined estimate of the principal five grain crops for the year 1935-36 is \$2,045,933,000 as against \$1,961,631,000 in the previous crop year.

Hog prices have risen more substantially than production has declined. Farm value of hogs is placed at about \$968,819,000 as compared with \$590,270,000 in 1934. The fair value of cattle and calves is estimated at \$773,400,000 against the 1934 official valuation of \$503,698,000.

Actually, the farmer is in even better financial condition than the income figures indicate. His expenditures on production and wages increased less during 1935 than the gain in gross income. The farmer's current production expenses, plus wages, taxes, interest and rents payable, and depreciation of buildings and equipment, will amount roughly to \$4,000,000,000 against \$3,382,000,000 in 1934. Deducting this from gross income, it would leave a net income available to farm operators for their labour, capital, and management of about \$4,110,000,000. This would be the largest return to farmers since 1929.

Cash income from 1935 production is estimated at \$6,900,000,000, a 10-per-cent increase. Farm prices have doubled since the low point. Prices of goods to the farmers must have advanced about 25 per cent, but value of units of farm products in exchange for such goods has increased by nearly two-thirds.

During 1935 the farmer's income has been aided by more profitable sales of meat animals, dairy products, poultry, and eggs; sales of grain, cotton, cottonseed, fruits, vegetables, and minor crops have, on the other hand, depressed it. Products which showed increases come mainly from the mid-West.

The Agricultural Adjustment Administration Act, which was passed in May, 1933, to restore the purchasing power of farm commodities to its previous parity with industrial products, was declared unconstitutional by the Supreme Court of the United States on January 6, 1936. With the aid of higher prices occasioned by drought and improving consumer purchasing power and by benefit payments of nearly \$500,000,000 a year, the A.A.A. has carried cash farm income from a low of \$4,328,000,000 in 1933 to an estimated 1935 total of \$8,110,000,000. In December wheat prices had reached 81 per cent of parity, cotton prices 73 per cent, corn 66 per cent, and hogs 96 per cent. Several commodities such as cottonseed, retail milk, chickens, lambs, wool, and fire-cured and burley tobacco enjoyed farm prices in December that were above the parity prices.

WHEAT

Since the beginning of 1933 wheat prices in the United States have been maintained at unusually high levels relative to world prices. This has been largely the result of three successive years of low production, but acreage reduction and

the removal of surplus wheat from the Pacific Northwest through Government aid have also tended to increase United States prices relative to world prices.

Total wheat supplies in the United States for 1935-36 are estimated at 751,-000,000 bushels, consisting of a carryover on July 1 of 152,000,000 bushels and a crop of 599,000,000 bushels (October 1 indication). The effective supply, however, is less than these figures indicate since much of the crop, particularly of spring wheat, is of low milling value, some being entirely unsuitable for milling. Hard red spring wheat, although running high in protein content, is unusually light in test weights per bushel and a very considerable percentage is of such low value for milling that a large quantity will be fed. Durum wheat is running considerably lighter and hard red winter wheat somewhat lighter. Much of the soft red winter crop contains a high percentage of moisture, which already has resulted in some damage and can be expected to result in additional damage during storage before the crop is utilized.

Because of the shortage of good milling spring and hard winter wheats, it seems reasonable to expect that net imports of highest-weight milling wheat may be in the neighbourhood of 35,000,000 bushels, which is 5 per cent of the prospective utilization. In 1934-35, 14,000,000 bushels of wheat were imported for consumption in the United States. About 6,000,000 bushels were of Durum wheat and 8,000,000 bushels was feed wheat.

The estimated area planted for the 1934 wheat crop was 60,731,000 acres, and that for 1935 about 66,000,000 acres, compared with an average of 65,926,000 acres for the crops of 1930 to 1932.

FEED CROPS

The total production of corn, oats, barley, and grain sorghums was 91,366,000 tons compared with 50,781,000 tons in 1934 and the five-year average (1928-32) of 100,642,000 tons. The United States corn crop was 2,213,000,000 bushels compared with 1,377,000,000 bushels harvested in 1934 and the five-year average of 2,562,000,000. The harvested area of 93,590 acres was 9 per cent under the average. The oat crop was 1,184,000,000 bushels, and although it was more than double the small 1934 crop of 526,000,000 bushels, it was about 3 per cent below the five-year average of 1,218,000,000 bushels. The acreage of oats harvested was 1 per cent under average.

The production of tame and wild hay in 1935 was 89,000,000 tons as against 80,400,000 tons for the 1928-32 average. The acreage trend has been downward since 1931, and most of the decline in these years has been in wild hay, and most of the recovery in 1935 was in this kind. The alfalfa hay crop of 28,300,000 tons was the largest on record. Comparing it with the 1928-32 average, the increase in alfalfa hay acreage was 13 per cent and in production was 19 per cent.

WOOD-WOOL MARKET IN LONDON

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, January 24, 1936.—It is not probable that Canadian producers of wood-wool are able to compete in the London market at the present time, but the following notes may be useful in summarizing the current situation.

EXTENT OF THE MARKET

Imports in 1934 totalled 13,638 long tons valued at £50,817. The principal suppliers were: Sweden, 5,297 tons (£21,523); Russia, 4,740 tons (£15,643); Norway, 2,947 tons (£11,078); and Finland, 459 tons (£1,657). Small quantities were imported from Czechoslovakia, Germany, the Netherlands, and other

countries. It is not feasible to make an accurate estimate of present domestic production, but it is not inconsiderable; in 1930 the British production of wood-wool and wood-flour was valued at £170,000 and is increasing.

QUALITY, GRADES, AND PACKING

The trade prefers a product of white wood without resin; the coarser grades must be practically odourless and the finer grades entirely odourless. The fibre must be of fair length and even texture; the absence of chips or thick ends is essential. The wood should not be brittle nor the fibre harsh, especially in the finer grades.

Grades vary in thickness from 0.05 mm. to 0.3 mm., and in width from 1 mm. to as much as 7 mm. Probably the most common fibre is 0.25 mm. thick by 1.5 mm. wide; this is fairly coarse. Thicknesses of 0.3 mm. and 0.2 mm. are also common. Fine grades in use are 0.05 mm. thick by 1 mm. or 1.5 mm. wide. The specifications should appear in orders by measurement; they must be strictly adhered to in production.

Baling must be done evenly and carefully in units of exactly 112 pounds net.

PRICES

Russian fibre, 0.25 mm. by 1.5 mm., is selling at about £5 17s. 6d. per long ton, delivered to the consumer; the Swedish price on the same grade and basis is about 1s. higher. These prices, which are applicable to orders of 5 cwts. or more, include the import duty of 25s. per long ton as well as all other shipping, handling, and cartage costs. The British product sells for about £5 15s. delivered. The fine grade, 0.05 mm. by 1 mm., is quoted at £10 delivered; Sweden supplies most of this type.

PROSPECTS

Apparently Canadian manufacturers have not been able to compete, even though their product enters the United Kingdom free of duty. The duty of 25s. per long ton on the foreign product was practically absorbed by Baltic shippers. Freight rates have also been an obstacle in attempting to sell such a relatively low-priced bulky commodity. This is a particularly difficult obstacle in that buyers of wood-wool prefer small frequent shipments rather than large orders, mainly because the margin is so small as to prohibit an extended storage period. Nor is it possible to compress wood-wool to a lower cubic content per ton because its resiliency is thereby seriously injured. Under these circumstances it is doubtful if Canadian producers can compete in this market; experience in recent years supports this conclusion.

ECONOMIC CONDITIONS IN SOUTHWEST ENGLAND AND WALES

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 4, 1936.—The southwest of England and Wales, with the exception of a few areas and activities mainly interested in and dependent on export trade, is generally well content with the results of 1935. The fears frequently expressed towards the end of 1934 that the domestic market of the United Kingdom could not be expected to develop indefinitely did not materialize and the increased production of manufactured goods during 1935 was made possible by a further revival of the home market. As there appears to be no substantial evidence of any exhaustion of the potentialities of the domestic market, there is more than a likelihood of a further upward movement in the volume of internal trade. This continuing belief of security in the future has permitted manufacturers in this area to pay considerably more attention

to the possibilities of export in spite of the continued application of measures designed to restrict imports by other countries, and exports increased slightly during 1935.

NEW CONSTRUCTION

At this time of the year a seasonal slackness is generally reported from some areas. In Bristol, and in other cities, there was a falling off towards the end of 1935 in the numbers employed in the building trades. This has not been due, however, to any decline in the demand for new buildings but to the persistent wet weather which has continued almost steadily since September. Floods, in many cases serious, have been almost general in the southwest of England since October, with resultant damage to river banks, railways, and roads, as well as to other property. In this area there is no evidence that a slackening in building activity will be general in 1936, and those interested in these operations continue to point out the maintained demand for better housing, for rebuilding the slums, and to remedy the overcrowding of existing good houses. New factory buildings, either for new products or to increase the productive capacity of existing industries, were constructed during 1935, and further construction work will undoubtedly be necessary during 1936.

Further work for construction companies will shortly be available as the five-year plan for roads comes into operation practically all over the country. This great scheme, requiring so much capital investment by the central authority, will be accompanied by large expenditures to repair the deficiencies of the national defences. As much of this expense will be the result of the decision to increase the Air Force and to continue as far as possible to mechanize the Army, the aeroplane, motor, and allied factories in this area will be operating under great pressure to meet official demands for equipment.

All this activity will be reflected in trade generally as retail buying follows expansion in production. More shops will be required as more houses in suburbs are constructed, and the distributive trades will also benefit from this larger retail trade. In most of this greater activity Canadian raw, semi-finished, and completely finished products of all kinds should be required.

Bank clearings at Bristol totalled £121,702,000 compared with £117,448,000 in 1934.

SOUTH WALES

South Wales has not made much progress in 1935. The output of coal and steel particularly will have to increase considerably before it reaches satisfactory figures. The trade of South Wales at the end of 1935 was just about where it was at the end of 1934, but at least the coal trade did not further deteriorate, while in some directions the steel industries reported real progress. The steel works are now rather active, and recently one of the larger firms opened a new plant.

The tinsplate trade had a fair year, but not as good as in 1934. The industry—of such importance in the area, but particularly in Swansea—is only operating at about 60 per cent of capacity. It is doubtful if the industry will ever regain all its lost overseas markets, and the home market, while becoming of increasing importance, will never be able to make up the difference. Many of the older tinsplate workers will never work at their trade again, but for these a pension scheme, financed by the employers, will shortly come into operation.

The South Wales anthracite trade held its own fairly well during 1935, and in this trade the exports to Canada loom large, comprising almost one-third of the total.

GREAT WESTERN RAILWAY TRAFFIC RETURNS

The Great Western Railway operates largely in the southwest of England and Wales. During 1935 receipts for both passenger and freight traffic of this line were higher than for 1934. Passenger receipts increased from £10,542,000 to £10,649,000, while freight receipts rose from £14,451,000 to £14,618,000.

WEST OF ENGLAND MARKET FOR CANNED GOODS

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 3, 1936.—The canned goods markets of the West of England at the moment are slightly unsettled, but this is not unusual at this time of the year, particularly on account of the fact that Australian canned fruits are making their initial entry for the season.

PEARS

Standard Australian pears opened to-day at 8s., compared with a landed duty-paid price for Californians of 7s. 9d. to 8s. a case. Bartlett pears from Canada are in rather small supply, but with a very firm demand, at 7s. 9d. The less popular Keifer pears from Canada are being offered at 6s. 9d., and the market seems to be rather steady.

PEACHES

Canned peaches from Canada, also in small supply but desired rather exclusively by the higher-class trade, are available at 9s., compared with Californian peaches at 6s. 9d. Californian peaches until a few weeks ago were being offered at 7s. 3d., and the market is somewhat disturbed on account of the recent drop in price. High-grade Australian peaches also opened this morning for the season, and the initial price quoted was 6s. 10½d., which, however, is believed to be a little high.

GALLON APPLES

The market for gallon apples has been firmer lately, and the local trade believes that prices of Canadian will tend to rise the longer the St. Lawrence is frozen up owing to the comparative absence of offerings from Nova Scotia. Canadian gallon apples, solid pack, opened in October at 17s., while current offerings, which are not very free, are around 18s. An Oregon-Washington pack of gallon apples is being offered, duty paid, at from 18s. 9d. to 19s. Owing to the extremely small crop of English apples suitable for canning, the English gallon apple has not been the factor in the market that it was a year ago. The demand for the Bramley Seedling, when canned, is still such as to enable it to command a rather high price comparatively and recent limited offerings were from 20s. to 21s.

TOMATOES

The canned tomato market has been of particular interest during the last quarter. With the approach of "sanctions," Italian shippers forwarded enormous supplies to the United Kingdom, and there are still some in store available for sale. The peculiar situation enables the Italian tomato to realize from 5s. to 6s. 6d., duty paid, packed in 2½ tins. The comparable price for Spanish tomatoes is from 4s. 9d. to 5s. 6d. per case, also packed in 2½'s.

The demand for Canadian tomatoes this year has been somewhat surprising, but not to those who have been watching recent developments in South Wales in connection with a distinct endeavour to develop reciprocal trade with Canada. Thousands of cases of Canadian canned tomatoes reached this area, and prices were lower than for the plum peeled type of tomato shipped from Spain and Italy. Canadian tomatoes, packed in 2½ tins, were quoted some time ago at 3s. 10½d., but to-day 4s. 7½d. is obtained for supplies in store. This year some experiments were carried out with plum peeled tomatoes in Canada, and when packed in 2½ tins these have seemed to realize in this market a premium of about 9d. a dozen.

SALMON

The canned salmon market seems to be in a very quiet condition, and prices are fairly stable. British Columbia sockeye salmon has been quoted at 62s. 6d.

in $\frac{1}{2}$ -pound tins, packed ninety-six to the case, while 1-pound talls have changed hands at 56s. 6d. Generally, there is no British Columbia pink salmon in this district, but Japanese pinks are to-day being quoted at 16s. for 1-pound talls and 18s. to 19s. for $\frac{1}{2}$ -pound flats. Alaska red salmon has been quoted at 44s. a case for 1-pound talls compared with 46s. for Siberian red 1-pound talls and 50s. for $\frac{1}{2}$ -pound flats.

SOUTH WALES COAL TRADE IN 1935

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 4, 1936.—A proper understanding of the problems which the coal trade of South Wales and Monmouthshire faced in 1935, of the progress made by the industry during that time, and of the position of the collieries and associated organizations, requires some knowledge of the history of the difficulties which have confronted the trade since before the War. In the main, the principal difficulty in recent years has been to organize the trade from mine to consumer in such a way that the persistent surplus capacity of the industry could be removed.

PRE-WAR CONDITIONS

Until 1914 demand generally exceeded supply, but even in those days there were recurring periods of depression and of boom in trade and, therefore, occasions when more coal was being mined than could be sold. But the tendency during these years was towards an increasing consumption, and during the decade 1904 to 1913 there was an increase in the output of coal from the pits of South Wales of nearly 14,000,000 tons, or 30 per cent.

POST-WAR CONDITIONS

Since the War economic conditions throughout the world have undergone such vital and spectacular changes that the rapidly expanding production of coal has been followed by a continuing contraction in demand.

The contraction in demand has been due, briefly, to the development of coal resources by other countries; the development of the uses of other fuels, to mention only oil; and the progress made by scientists and inventors in the application of mechanical devices to increase the thermal efficiency of coal as a fuel. The effect of these factors on the consumption of coal can best and perhaps most strikingly be seen in the development of the application of oil as a fuel in merchant vessels. It is estimated to-day that almost 50 per cent of the gross tonnage of the merchant ships of the world are oil-burning or oil-using vessels, compared with 3 per cent in 1914. Research has furthermore enabled coal-burning vessels to cut their fuel costs by one-third to one-half, and, to an increasing extent, to use smaller sizes.

The Fuel Research Board of Great Britain recently announced that the application of research to the fuel problems of the country had resulted in an annual saving in coal consumption by the iron and steel and the gas and electricity industries of 31,000,000 tons compared with 1910. The widening application of electricity as a prime mover in factories and by railways, not only in the United Kingdom but abroad, is also making for a restricted use of British coal.

All these factors would have been serious enough in their combined effect on the coal trade of Great Britain, but when they are combined, as they have been, with the effect of quota, licence, tariff, and other forms of restriction in importing countries, it can be realized how widely the demand for British coal has been reduced. As far as South Wales is concerned, the output of coal since 1913 has fallen by 22,000,000 tons, or 39 per cent, while the quantity of coal exported as bunkers or cargoes has declined by 16,000,000 tons, or 46 per cent.

Since 1927 there has been unanimity of opinion among coal-owners that the regulation of both output and prices would be in their best interests, pending at least the restoration of normal trading conditions, and some steps were taken towards a voluntary solution of the problems along these lines. In 1930 the Government decided that statutory compulsion would be necessary owing to the failure of voluntary regulation to ameliorate conditions, and to the slow progress being made in colliery amalgamations, and the Coal Mines Act of that year was passed.

COAL MINES ACT OF 1930

This Act provides in part for district schemes, and in spite of the difficulties under which these have operated—principally the contraction in world demand—there has been a noteworthy stabilization of prices, not, however, at levels permitting either a satisfactory wage to the miners or a reasonable return on the capital invested in the industry.

In 1935 a system of separate allocations was brought into operation for export and domestic supply, as well as for output. This change was principally due to the peculiar demands for certain specified coals from some foreign countries with which trade agreements had been made, based on their obligations to take fixed percentages of British coal.

BITUMINOUS COAL TRADE IN 1935

The year 1934 saw a strengthening of the position of the South Wales trade in bituminous coal, and it was hoped at the beginning of 1935 that conditions would continue to be at least good, but this hope was not realized. It is expected that the volume of exports will show a decline of 800,000 tons compared with 1934, and that the total output for the year will be less than 34,500,000 tons compared with 35,200,000 tons in 1934.

Although the foreign markets for British coal have not been satisfactory, the steady improvement in the home industrial field has benefited almost without exception the coal-fields of the country. If the collieries of South Wales have not benefited to the same extent as others, at least the quantity of South Wales coal made available for domestic consumption, 18,008,000 tons, was no less than in 1934.

The South Wales mines suffered from decreased exports to the Continent more than did the areas on the North Sea, although increases to the Irish Free State were important at 156,000 tons. Shipments to Egypt, Spain, and Gibraltar increased. Competition abroad with coal from Poland was regulated during 1935 by an agreement with Polish coal-owners based on percentages of British coal exports to certain markets. As a result of clearing and other agreements, competition from German mines was more severe than in previous years.

The stability of markets, as suggested by the foregoing observations, made for stable prices of South Wales coal—in fact, they were the most stable coal prices in the world during 1935. This ability to maintain prices did not result in the collieries showing improvements in their trading position, and it is recorded that over the last year and a half debit balances have been the rule in the industry. During 1933 efforts to operate with greater efficiency and economy have tended to improve the fiscal position, but the introduction of higher wage scales has had the effect of offsetting the advantage. The increase in average wages from 9s. 2·76d. per shift to 9s. 3·67d. has been accompanied by a reduction in the total number of miners employed, which during 1935 declined from 134,669 to 128,299.

ANTHRACITE COAL TRADE IN 1935

One section of the South Wales coal-fields, the anthracite area, is the bright spot in industrial South Wales. This is true also with respect to the future,

even if conditions remain unchanged, owing to the growing recognition abroad of the qualities of Welsh anthracite. Exports have increased since the War and now aggregate at least 6,000,000 tons annually. An important factor in the improved movement is the great care that is now being taken in grading and sizing.

The attention of anthracite users has been focussed on the possibility of utilizing smaller sizes as efficient fuels, and the new electric power plant of Swansea is being successfully fired with small "duff."

TRADING CONDITIONS

Trading conditions were not as favourable for anthracite in 1935 as in 1934, and a slight decline in total production was reported. The totals for the last three years were 6,649,600 tons in 1933, 6,603,921 tons in 1934, and 6,290,000 tons (estimated) in 1935. Satisfaction is general that the decline was not greater in view of the unsettled conditions obtaining in most markets.

CANADIAN MARKET

The importance of the Canadian market received widespread recognition, and while shipments to the Dominion were slightly less than in 1934, the effect of the milder winter of 1934-35 in building up considerable stocks in Canada to carry over must be taken into account. Competition from Russia is expected. Welsh anthracite is now being shipped, in small quantities, to northern United States ports.

TIMBER TRADE OF SCOTLAND IN 1935

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

[The illustration on the cover of this issue shows a section of the Lennox Castle Mental Institution of the Glasgow Corporation, which is now nearing completion. Between fifty and sixty buildings, of the character depicted, comprise the scheme, in more than half of which British Columbia Douglas fir has been used for "carcassing." The same wood, edge-grain, has been used for flooring to the extent of about 50,000 square yards. Thirty thousand square yards of Canadian birch has also been used for flooring. This was the largest single contract for timber ever placed in Canada from Scotland.]

Glasgow, February 1, 1936.—During 1935 Canadian lumber of all descriptions, but especially Pacific Coast products, have been extensively used in Scotland.

The consumption of No. 2 Clear and Better Douglas fir during the year was very heavy, owing to some extent to the strike in which the American mills were involved, and while this has been settled, their supply has not yet caught up with their domestic demand. Consequently there has been very little, if any, lumber in Clear quality sent forward to Scotland during the last eight months from this source. To a lesser extent, Selected Merchantable and Merchantable Douglas fir have been imported for carcassing for municipal housing schemes. This trade is growing, for not only are Glasgow and Edinburgh using it for this purpose to a growing extent, but many other municipalities as well. As Glasgow has a program of 4,000 houses a year for some years to come, Edinburgh 1,000, and other cities in proportion, it can be seen what a useful outlet Scotland may be for Merchantable grades of this wood, as well as for the Clear grades, which have been used extensively, and now almost exclusively, for interior finishings.

Owing to the labour difficulties on the Pacific Coast and the consequent delays in making shipments, there were times when spot stocks were in great demand. During the second half of the year prices have shown continuous

advances. The prospects for Douglas fir in Scotland during 1936 are excellent, and there appears to be no reason for any fall in price, as it is still cheap relatively to other woods.

SITKA SPRUCE

There has been, and still is, great difficulty in securing supplies of No. 2 Clear and Better Sitka spruce. In fact, it is safe to say that at the present moment all specifications are unobtainable, the mills being fully booked up with orders for at least three months ahead. There was a large consumption of this quality in Scotland in 1935. It may be well to say that a large price advance in Clear spruce would probably affect the demand later on, as there are other woods which can take the place of this.

WESTERN RED CEDAR

Owing to the scarcity of Sitka spruce, already reported, some demand, during the latter part of the year, developed for this lumber in No. 2 Clear and Better. At the present time, however, it will probably only be utilized extensively as long as Clear spruce is unobtainable, although a certain small demand will always exist.

WESTERN HEMLOCK

There is a slightly increased demand for this lumber, chiefly in material S/2/S to $\frac{1}{4}$ "- to $\frac{7}{8}$ "-inch thick.

QUEBEC WHITE PINE

In the spring of last year it was found that there was practically no stock wintering, with the result that first shipments were practically all summer sawing. The demand was good, and prices very firm. It would appear that in 1936 there will be similar conditions, as the great improvement in shipbuilding and engineering is bound to cause an increased consumption of this fine wood.

QUEBEC BIRCH PLANKS AND LOGS

There was no outstanding feature during 1935. The bulk of the consumption appears to have been obtained from consigned parcels, and in all probability similar conditions will prevail in 1936. "Sawn birch and other hardwoods" were brought into Scotland from Eastern Canada to the extent of 267,019 cubic feet as compared with 227,000 in 1934. "Planed and dressed birch and other hardwoods," including flooring, were imported to the extent of 56,230 cubic feet as compared with 48,690 in 1934.

QUEBEC ROUND ROCK ELM LOGS

During the first six months of 1935 there was very little business passing in these, but latterly the demand has improved and, it is expected, will continue during 1936.

DOUGLAS FIR DOORS

During 1935 ready-made doors from British Columbia, made from Douglas fir, have been imported into Scotland in considerable quantities for the first time. The number was 12,709. They are of excellent quality, and there is no reason why the trade should not grow.

MAPLE AND BIRCH FLOORING

Maple flooring is well known in Scotland, the sources of supply until recent years having been the United States, as Canadian firms found it difficult or impossible to compete. It is probably safe to say that since the institution of

a British import duty on foreign goods a few years ago Canada now monopolizes this trade. But the most interesting development in the case of hardwood floors is the growth, all in the last four or five years, in the use of Canadian birch flooring. It is proving itself under hard usage, and its use will undoubtedly grow, more particularly if Canadian manufacturers study more closely the needs of the market.

The only source of information regarding quantities of timber imported into Scotland, as distinct from the Board of Trade returns for the United Kingdom as a whole, is the Clyde and Forth Bill of Entry, which is issued three times a week. The following figures were extracted from that publication, and, while they are printed under different designations, and on that account are not completely satisfactory, they show well enough the position:—

IMPORTS OF TIMBER FROM CANADA AT GLASGOW, LEITH, AND GRANGEMOUTH

	1935	1934
	Cubic Feet	Cubic Feet
Douglas fir, sawn*	1,429,624	652,541
Douglas fir logs	919 pieces	and 12,688 pieces
Cedar (presumably Western red)	16,225	76,000
Sawn birch and other hardwoods	267,019	and 710 pieces
Planed and dressed, including flooring	and 6,000 sq. ft.	7,706
	56,230	227,100
	and £364	
Hardwood logs or hewn hardwood	22,419	48,690
Eastern softwoods, pine, spruce, etc., sawn	668,400	19,782
Planed and dressed	73,450	1,612,633
Logs or boards	950	31,132
Waney pine logs	3,800	36,300
		3,383

* These figures may not represent all the Douglas fir imported, as certain entries in the "Clyde and Forth Bill of Entry" are in terms of "soft wood," and it is impossible to determine their origin.

In conclusion, the prospects for Canadian timber in Scotland during 1936 are most encouraging. Shipbuilders and allied trades are much more active, and house-building is rapidly becoming a vast industry.

WOODENWARE

There is a good business being done in Canadian birchwood dowels; Douglas fir broom handles; rake, fork, and hoe handles; and dolly clothes pins.

Clothes Pins.—Although Canadian pins are cheaper, at an exchange rate of \$4.96 to the pound sterling, the Continental-manufactured pin is being imported into Scotland in much larger quantities. This situation is no doubt due to the insufficiency of available Canadian supplies.

Ash Fork and Hoe Handles.—There is a market for these goods, both waxed and unwaxed. Most of the supplies are of United States manufacture.

Spring Blind Rollers.—Steady business by one Canadian firm making this line is being done. There is an opening for at least another interested in the export trade.

Wooden Cork Tops.—Large quantities of different sizes are used by cork manufacturers in the making of metal top stoppers, used particularly in the whisky trade.

Coat Hangers.—Large quantities are freely imported from Sweden, and prices are cut exceedingly fine. It may nevertheless be possible for Canadian manufacturers to offer something different from the ordinary in the way of enamelled finished articles.

CANADIAN CATTLE SHIPMENTS TO GLASGOW IN 1935

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, February 4, 1936.—Scotland's trade with Canada in live cattle may be divided into two classes: (1) beef animals of various kinds, either for immediate slaughter or for stocking and fattening on Scottish farms; and (2) dairy cows.

There has been a marked shrinkage in this trade as a whole during 1935, total imports amounting to 1,958 head as compared with 13,592 for 1934 and 11,238 for 1933.

Imports of beef cattle amounted to 1,436 head in 1935 as compared with 12,178 in 1934 and 11,140 in 1933. This large reduction in the Scottish trade is not due to any slackening of demand or reduction of prices here, as in fact the small quantities sold brought average prices of from 33s. to 37s. per live cwt., comparing favourably with the 1934 and 1933 average ranges of 32s. to 41s. and 30s. to 38s. respectively.

Improved demand in the United States for Canadian cattle has been the factor militating against shipments to Scotland. It now appears, however, that trade in beef cattle between Canada and Scotland is about to resume as two or three shipments have been booked.

DAIRY CATTLE

Imports of dairy cattle were proportionately insignificant in 1933, amounting to only about 100 head. In 1934 the trade increased to 1,414 head, and in 1935, while the number was reduced to 522, it was comparatively a more important branch of the total trade than ever before. Canadian dairy cows, in the short period in which they have been known here, have made a distinctly favourable impression as healthy breeding animals and good milk producers. As a result of certain rejections in the course of the year, the Canadian Department of Agriculture adopted the policy of licensing exports of dairy cattle, and, in addition to ensuring that export cattle were free from disease, the Department also took pains to inspect for type and conformation. The import situation has improved somewhat since the adoption of this policy, but the trade is still hampered by the fear that cattle may be rejected here because it is impossible for experts to agree at all times on such matters of opinion (not of fact) as conformation and type of cattle. It is hoped, however, that the best Canadian dairy cows will continue to find a good market in Scotland.

AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Melbourne, January 15, 1936.—Wheat and flour shipments from Australia since the commencement of the season at December 1 total 7,793,625 bushels of wheat compared with 10,358,563 bushels for the corresponding period of the previous year. The new year opened with a strong demand for Australian wheat, and large sales have been effected, mainly to Europe and the United Kingdom, with Japan also a free buyer of new crop wheat. The renewed Continental demand is a very gratifying feature, as it is some time since important shipments were made to Continental buyers.

Prices have moved upwards about 2d. per bushel during the last month, and farmers have sold wheat freely at the higher prices which have been more satisfactory to the growers than for five years past. The average price being paid to the grower at country sidings is about 3s. 3d. (Australian currency), equivalent to 64 cents Canadian. The price f.o.b. Melbourne is about 3s. 10d. per bushel, or 76 cents Canadian.

Heavy and unseasonable rains have damaged to some extent the crop in certain sections of Victoria, and bleaching and deterioration affecting probably four or five million bushels may result. However, the quality of wheat harvested for Victoria and elsewhere in Australia has been excellent this year, and early shipments received have been running as high as 65 pounds per imperial bushel. Current estimates now place total crop at about 135,000,000 bushels.

FLOUR

The export flour market has remained particularly dull, and as the unfilled orders on hand at the opening of the new year were very small, the outlook is poor. The rapid rise in wheat prices has not been followed by a corresponding rise in flour, and apparently the millers will have to wait until existing flour stocks are absorbed before sustained new demand will arise. Export quotations are practically unchanged from last month, at £7 15s. per ton of 2,000 pounds in 49-pound sacks, equivalent to \$30.63 Canadian, and £7 10s. per ton of 150-pound bags, equivalent to \$29.64 Canadian at current rates. There are no features of interest to report.

CHARTERING

Chartering has been very active during the past month, and in that time approximately 109 vessels, including sailing ships and part cargoes, have been chartered to load wheat from the beginning of the new crop year, and the export surplus is now moving at an unprecedented rate. Many steamers are coming out in ballast, and shipowners are continuing to accept charters at the minimum charter rates declared some months ago. It is estimated that over 900,000 tons of Australian wheat has been shipped and committed for shipment this season, and estimating the total surplus of new crop available at 2,250,000 tons, there is now only 1,350,000 tons available for export, not allowing for any carry-over into the next season.

NATIONAL CONTROL OF BROADCASTING IN SOUTH AFRICA

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, January 15, 1936.—Since its beginning twelve years ago, radio broadcasting has developed rapidly in the Union of South Africa, particularly of late years. This development has, naturally, been accompanied by an equally rapid increase in the number of radio listeners. It is estimated that in 1933 there were 54,000 listeners in the Union and that to-day there are 127,000.

Up to the present broadcasting has been in the hands of a privately-owned company. The Government, however, feeling that the radio had become such an important factor in the life of the nation, and that steps should be taken to ensure that its future development was on sound lines, some time ago invited Sir John Reith, Director-General of the British Broadcasting Corporation, to visit South Africa and study the whole question of broadcasting in the Union. In a speech recently delivered at a radio exhibition, the Minister of Posts and Telegraphs, under whose jurisdiction broadcasting lies, outlined a scheme to place broadcasting under a public utility trust, created by statute, in accordance with recommendations made by Sir John Reith, which is to be brought before Parliament early in the next session.

POWERS AND DUTIES OF THE NEW ORGANIZATION

The new organization, which will probably be known as the African Broadcasting Corporation, will operate broadcasting in the interests of the people as

a whole, and will eliminate entirely the profit motive. It will be controlled by a board of nine governors appointed by the Governor-General, representative of the two white races and the several provinces of the Union, and free of any definite or active political associations. One member of the board will be nominated as chairman, probably at a salary of £1,500 per annum, one as vice-chairman at £750 per year, and the remainder will receive £400. It is proposed that five of the governors be appointed for five years and the rest for three years in order that there may be continuity of policy and control.

The new corporation will take over the plant of the existing company, which will receive payment in debentures issued by the new corporation. It is anticipated that the revenue from licences will enable the new corporation to begin its operations without financial difficulties.

COMMERCIAL ADVERTISING

It is proposed to give the new corporation full powers to take whatever action it deems necessary to popularize the service and for the future development of broadcasting, including the commercial exploitation of television when that becomes practicable. It is also to be given power to set up subsidiary broadcasting stations for commercial advertising in the form of sponsored programs. Any profits accruing to the corporation are to be used for these purposes, and in addition, the corporation is to be empowered to raise funds from time to time, if necessary, for development purposes. The corporation will appoint its own staff and is to have exclusive rights over broadcasting in the Union.

ADVISORY COMMITTEES

Although the corporation is to be entirely self-governing in its ordinary policy and operation, in order to ensure public interests being observed, committees are to be set up in a number of the larger centres throughout the Union to advise the board of governors on local tastes in broadcasting. In addition, the accounts of the corporation will be subject to audit by accountants appointed by the Government, and the governors will have to make an annual report on their operations to the Government, which will be presented to Parliament.

It is anticipated that under the new corporation a great further expansion in broadcasting will take place in South Africa.

CONDITIONS IN HAITI

F. W. FRASER, CANADIAN TRADE COMMISSIONER

(One gourde equals 20 cents United States currency)

Kingston, Jamaica, February 4, 1936.—According to a report recently issued by the Fiscal Representative of Haiti, the fiscal year ending September 30, 1935, was for that country a year of declining revenues and of increased government expenditure, resulting in an operating deficit of over 7,000,000 gourdes, which had to be met from reserves. The coffee crop, on which Haiti is largely dependent, was the lowest recorded for many years, and little improvement took place in sisal, logwood, and cacao. Exports of cotton, however, showed a considerable increase at profitable prices, and the banana industry, which is becoming an important one in Haiti, went ahead in an encouraging fashion. Raw sugar exports also moved up substantially.

RECEIPTS AND EXPENDITURES

Total revenues amounted to 30,092,000 gourdes as compared with 37,752,000 gourdes during the previous year, or a decline of 18·1 per cent. Export duties suffered heavily, dropping by as much as 41·3 per cent; import duties declined by 8·4 per cent, and internal revenue receipts by 10·3 per cent.

Expenditure during the year amounted to 42,355,000 gourdes. This figure, however, includes an expenditure of 5,000,000 gourdes for the capital stock of the Banque National de la Republique d'Haiti. Deducting this amount, which is really a capital expenditure, the actual operating expenditure stood at 37,355,000 gourdes for the year, as compared with 36,802,000 gourdes during the previous year.

On September 30, 1935, the public debt of Haiti stood at 54,931,000 gourdes as compared with 60,830,000 gourdes on September 30, 1934, and 66,901,000 gourdes at the end of the fiscal year 1932-33.

FOREIGN TRADE

Total foreign trade for the year under review amounted to 76,791,000 gourdes as against 97,231,000 gourdes during the previous twelvemonth period, and of this amount import trade accounted for 41,162,000 gourdes, and exports for 35,629,000 gourdes. The decline in imports amounted to about 10 per cent, while exports dropped by 31 per cent.

The quantities of the principal exports from Haiti during the year, with 1933-34 figures in parentheses, were as follows: coffee, 19,031,749 kilos (34,028,058 kilos); cotton, 6,178,000 kilos (5,302,000 kilos); sugar, raw, 32,557,000 kilos (22,264,397 kilos); sisal, 4,983,000 kilos (6,041,051 kilos); bananas, 520,000 stems (273,000 stems); rum, 23,100 litres (21,800 litres); cacao, 1,149,000 kilos (1,607,000 kilos); logwood, 9,497,000 kilos (17,886,000 kilos).

As regards imported commodities, it is reported that slight increases were recorded in imports of cement, chemical products, paints and colours, motor cars, live animals, machinery, manufactures of rubber, and tobacco products, while noteworthy declines took place in imports of cotton cloth, motor trucks, jute bags, lumber, and flour. The full effect of the slump in coffee exports was not reflected in the import trade up to the close of the fiscal year, but it is bound to be felt during the next few months before the next season's crop is marketed.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Post and Telegraph Department, Wellington, and the New Zealand Government Railways, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Director-General (Stores Division), General Post Office, Wellington, and the Comptroller of Stores, New Zealand Government Railways, Wellington, in accordance with these specifications. Particulars are as follows:—

Post and Telegraph Department.—1,200 pulley weights, No. 16, to British Post Office Drawing No. 7660 (tenders close April 15); fifty selectors, to British Post Office specification (tenders close April 7).

New Zealand Government Railways.—Supply of railway workshop machinery, to specification (tenders close June 15).

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Tariff Changes

The Additional Import Duties (No. 1) Order, 1936, of the United Kingdom removes, as from January 29, the "additional" duty of 10 per cent ad valorem hitherto chargeable on wooden blocks of a length exceeding 18 inches but not exceeding 40 inches and of a sectional perimeter exceeding 18 inches but not exceeding 44 inches, roughly sawn to an octagonal shape in cross section but not further prepared or manufactured. Such blocks continue to be subject to the general ad valorem duty of 10 per cent. The effect of the order is to reduce the duty from 20 per cent to 10 per cent ad valorem.

Goods of the kind in question which are Canadian products within the meaning of the Imperial preference regulations are guaranteed duty-free entry under the terms of the Canada-United Kingdom Trade Agreement of 1932.

Oxalic Acid Duty Free in United Kingdom

The Import Duties (Exemptions) (No. 1) Order, 1936, of the United Kingdom removes as from February 3 the ad valorem duty of 10 per cent formerly applicable to oxalic acid the product of non-Empire countries. Oxalic acid therefore enters duty free regardless of the country of origin.

Irish Free State Export Bounties on Bacon and Pork

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Department of Agriculture has, as from February 3, increased the export bounty on bacon, hams, and other cured pigs' meat from 12s. to 15s. per cwt., and on pork from 10s. to 12s. per cwt.

French Quota on Canned Lobsters

Mr. Hercule Barré, Commercial Attaché in Paris, cables that the French *Journal Officiel* of February 14 announces that the quota of canned lobsters which might be exported from Canada to France had been fixed at 1,375 quintals each for the first quarter and for the second quarter of 1936. (One quintal equals 220.4 pounds.) The Trade Agreement between Canada and France provides that Canada is to receive 9.82 per cent of the total quota of canned lobsters. Since April 1, 1935, the licences controlling the quota are issued in France.

Finnish Customs Tariff Reductions

Mr. J. A. MacDonald, Acting Trade Commissioner in Oslo, reports under date January 30, 1936, that a law was passed in Finland on December 31 last, providing for certain amendments to the Finnish customs tariff to be effective during the calendar year 1936, of which the following reductions may be of interest to Canadian exporters to Finland:—

	Old Rate	New Rate
	Finnish Marks per Kilo	
Wheat, unmilled	1.35	1.25
Wheat flour, unsifted	1.50	1.40
Wheat flour, sifted; as well as granulated wheat flour . .	2.40	2.25
Wheaten groats	2.40	2.25
Bran of all kinds	0.30	0.15
Oil cakes, cakes made of maize flour pressed together, as well as peanuts	0.30	0.20
Rubber footwear with vamps	20.00	12.00
Other rubber footwear	16.00	12.00

One kilogram equals 2.2 lbs., and one Finnish mark is equivalent to \$0.0252 at par.

Restriction on Importation of Silk Hosiery into Switzerland

Mr. J. C. Macgillivray, Canadian Trade Commissioner, Rotterdam, writes that a Swiss Federal Council decree, effective February 1, 1936, terminated the privilege whereby silk hosiery might be imported into Switzerland in unlimited quantities under a super tariff rate of 2,500 francs per 100 kilos, thus restricting imports to quota allotments, on which the ordinary tariff rate of 800 francs per 100 kilos is applicable.

Netherlands Monopoly Tax on Hulled and Rolled Oats

A Netherlands Ministerial Order, effective February 1, 1936, reduces the monopoly tax on hulled and rolled oats from fl. 8 per 100 kilos to fl. 5.75, about \$1.75 per 100 pounds at current rate of exchange.

Spanish Import Quotas

The *Gaceta de Madrid* of January 3, 1936, announced that the Spanish import quota of powdered milk for the year 1936 was fixed at 209,855 kilos, and of cheese at 1,336,171 kilos, being the same in both cases as for the year 1935.

Modifications in Control of Foreign Trade of Roumania

Mr. Yves Lamontagne, Canadian Trade Commissioner in Cairo, writing under date January 30, advises that, under the foreign trade regime introduced in Roumania as from December 1, 1935 (see *Commercial Intelligence Journal* No. 1667: January 11, 1936), the law provides for payment by the National Bank of Roumania of a premium of 38 per cent on all "strong" exchange purchased from exporters and others, while a similar premium is charged by the bank on all exchange supplied to importers and others.

In order to meet the premium payable on exchange purchased by the National Bank, two taxes are levied: (a) 12 per cent ad valorem on all goods imported (the value of the imports being calculated not on the invoice prices but on prices fixed by a special commission, so that they may be in certain cases considerably greater than the actual value of the goods); (b) 12 per cent on all exports of petroleum products.

The so-called "weak currencies"—reichsmarks, drachmae, Austrian schillings, pengoes—if not required by the National Bank of Roumania, may be sold in the free market, subject, however, to the terms of the clearing agreements in force with the countries concerned.

New Peruvian Tariff

Mr. R. W. McBurney, Assistant Trade Commissioner in Lima, writes under date January 16 that a new tariff of Peru has been published which, it has been announced, is to be effective as from February 1, 1936. A copy of the new tariff is on file in the Department of Trade and Commerce, Ottawa.

INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners, resident in territories where exchange control is in force, are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEBRUARY 17

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending February 17, 1936, with the official bank rate. Quotations for the week ending February 10, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 10	Nominal Quotations in Montreal Week ending Feb. 17	Official Bank Rate
Austria	Schilling	.1407	\$.1893	\$.1893	3½
Belgium	Belga	.1001	.1702	.1702	2
Bulgaria	Lev	.0072	.0139	.0128	6
Czechoslovakia	Krone	.0296	.0419	.0418	3
Denmark	Krone	.2680	.2234	.2226	3½
Finland	Markka	.0252	.0221	.0221	4
France	Franc	.0392	.0668	.0667	3½
Germany	Reichsmark	.2382	.4069	.4062	4
Great Britain	Pound	4.8666	5.0062	4.9825	2
Greece	Drachma	.0130	.0095	.0095	7
Holland	Guilder	.4020	.6861	.6850	2½
Hungary	Pengo	.1749	.2980	.2975	4
Italy	Lira	.0526	.0804	.0803	5
Jugo-Slavia	Dinar	.0176	.0232	.0232	5
Norway	Krone	.2680	.2514	.2505	3½
Portugal	Escudo	.0442	.0456	.0453	5
Roumania	Leu	.0060	.0077	.0078	4½
Spain	Peseta	.1930	.1382	.1382	5
Sweden	Krona	.2680	.2580	.2571	2½
Switzerland	Franc	.1930	.3301	.3303	2½
United States	Dollar	1.0000	.9981	.9987	1½
Poland	Zloty	.1122	.1907	.1908	5
Argentina	Peso (Paper)	.4245	.3336	.3322	—
Brazil	Milreis (Paper)	.1196	.0845	.0827	—
Chile	Peso	.1217	.0509	.0509	4½
Colombia	Peso	.9733	.5880	.5833	4
Mexico	Peso	.4985	.2772	.2774	4-5
Peru	Sol	.2800	.2483	.2485	6
Venezuela	Bolivar	.1930	.2695	.2697	—
Uruguay	Peso	1.0342	.8016	.8015	—
China (Shanghai)	Dollar	.....	.2992	.2988	—
Cuba	Peso	1.0000	.9973	.9980	—
Hongkong	Dollar	.....	.3288	.3279	—
India	Rupee	.3650	.3778	.3765	3
Japan	Yen	.4985	.2921	.2910	3.65
Java	Guilder	.4020	.6892	.6866	4
Siam	Baht (Tical)	.4424	.4583	.4570	—
Straits Settlements	Dollar	.5678	.5867	.5833	—
South Africa	Pound	4.8666	5.0000	4.9750	—
British Guiana	Dollar	1.0138	1.0430	1.0375	—
Jamaica	Pound	4.8666	5.0162	4.9925	—
Other British West Indies	Dollar	1.0138	1.0430	1.0375	—
Martinique	Franc	.0392	.0668	.0667	—
Guadeloupe	Franc	.0392	.0668	.0667	—
Australia	Pound	4.8666	4.0050	3.9850	—
Egypt	Pound (100 Piastres)	4.9431	5.1300	5.1150	—
New Zealand	Pound	4.8666	4.0375	4.0175	—
Argentina	Free	Free	.2765	.2747	—
Brazil	Free	Free	.0574	.0559	—
Chile	Free	Free	.0408	.0409	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Foreign exchanges remain decidedly unsettled. The franc again turned weak following recent political tension, but its losses were not great. The pound sterling dropped sharply in the second week of February from \$5.0103 to \$4.9747 and then recovered to \$4.9906. Earlier reports to the effect that the transfer problem connected with the new French loan had been solved later proved to be inaccurate. The United States dollar remained steady at a discount of approximately 0.20 per cent, and latest advices indicated that direct inflationary action as a basis for soldier bonus payments is unlikely. China was reported to have made gold purchases from the United States during the first half of February.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Victoria, B.C.
Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Wheat Flour.....	95	Guayaquil, Ecuador.....	Agency.
Miscellaneous—			
Barley, Buckwheat and Oats....	96	Rotterdam, Holland.....	Purchase.
Shoe Eyelets and Hooks.....	97	Port Elizabeth, South Africa	Purchase or Agency.
Bright Steel and Brass Wood	98	Singapore, Straits Settlements.	Purchase and Agency.
Screws and Hinge Butts.			
Corundum.....	99	Hamburg, Germany.....	Purchase.
Dairy Industry Equipment.....	100	Valparaiso, Chile.....	Agency.

NEW NORTHBOUND SERVICE FROM SOUTH AMERICA TO CANADIAN PORTS

McLean Kennedy, Limited, general agents in Canada for the Canadian-South American Line, announce the inauguration of a new northbound service from South America to Canada. The first arrival in Montreal will be the M.S. *Nordkap*, due here about May 20.

The line is owned and operated by Messrs. Garcia & Diaz, of New York, who are the pioneers of semi-monthly services from Canada to South American ports, and is the oldest established line operating from Canada to South America, regular semi-monthly sailings southbound having been operated from Montreal in summer and Saint John, N.B., during the winter, the most recent sailing being the M.S. *Dagrun*, which sailed from Saint John on February 7.

It was through the initiative of McLean Kennedy, Limited, that the inauguration of regular steamship services between Canada and South America took place in the year 1921, and these sailings have been continued regularly ever since. It is due to the success of the southbound trade and the support received from Canadian exporters that the line now feels warranted in inaugurating a regular service northbound to Canadian ports. The semi-monthly southbound sailings will be maintained as formerly.

The following vessels have now been definitely berthed from the River Plate and Santos, Brazil, namely:—

M.S. <i>Tacoma</i> from	Buenos Aires	Feb. 11	
	Santos	Feb. 22	Due at Saint John, N.B., March 27
M.S. <i>Dagrun</i> from	Buenos Aires	March 19	
	Santos	March 24	Due at Saint John, N.B., April 27
M.S. <i>Nordkap</i> from	Buenos Aires	April 6	
	Santos	April 16	Arriving at Montreal, May 20
M.S. <i>Tacoma</i> from	Buenos Aires	May 6	
	Santos	May 18	Arriving at Montreal, June 25

Following the M.S. *Tacoma*, there will be one steamer a month in this trade in approximately this same position.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Saint John

To Liverpool.—Duchess of Bedford, Feb. 28; Montclare, March 6; Duchess of York, March 14; Montcalm, March 20—all Canadian Pacific.

To London.—Beaverdale, Feb. 27; Beaverburn, March 5; Beaverbrae, March 12; Beaverford, March 19; Beaverhill, March 26—all Canadian Pacific.

To Manchester.—Manchester Producer, Feb. 27; Manchester Commerce, March 5; Manchester Port, March 12; Manchester Citizen, March 19; Manchester Brigade, March 26—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Donaldson and Dominion Lines, March 14.

To Glasgow.—Airthria, Feb. 29; Dakotian, March 14; Sulairia, March 28—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, March 7; Cairnesk (calls at Dundee), March 21—both Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head, Feb. 25; Kenbane Head, March 17—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Sonja, Canada-Mediterraneo Line, middle of March.

To Antwerp and Havre.—Beaverburn, March 5; Beaverbrae, March 12—both Canadian Pacific (do not call at Havre); Brant County (does not call at Antwerp), March 12; Grey County, March 16—both County Line.

To Rotterdam.—Alaska, March 5; Brant County, March 28—both County Line.

To Hamburg.—Beaverdale, Feb. 27; Beaverhill, March 26—both Canadian Pacific.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, March 4; Lady Drake, March 18—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 3 and 24.

To Kingston and Jamaican Outports.—Tela, March 6; San Bruno, March 19—both United Fruit Line.

To Manila, Hongkong, Shanghai and Dalny.—City of Johannesburg, Canada-Far East Line, March 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—Mattawin (calls at Sierra Leone and Lourenco Marques), Elder-Dempster Line, Feb. 27.

To Alexandria, Port Said, Aden, Karachi, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Evansville, Canada-India Service, Feb. 28.

To Montevideo and Buenos Aires.—Nordkap, Canada-South America Line, Feb. 28; Adderstone (does not call at Montevideo), International Freightng Corp., March 17.

From Halifax

To Liverpool.—Cold Harbor, Feb. 25; Lehigh, March 25—both Oriole Line; Duchess of Bedford, Feb. 29; Montclare, March 7; Duchess of York, March 15; Montcalm, March 21—all Canadian Pacific; Manchester Division, Manchester Line, March 2; Newfoundland, Furness Line, March 7; Andania, March 8; Antonia, March 22—both Cunard-White Star Line.

To London.—Beaverdale, Feb. 28; Beaverburn, March 6; Beaverbrae, March 13; Beaverford, March 20; Beaverhill, March 27—all Canadian Pacific; Ausonia, Feb. 29; Alaunia, March 7; Ascania, March 21—all Cunard-White Star Line; Liberty (calls at Dundee), American Hampton Roads, March 13.

To Manchester.—Manchester Producer, Feb. 29; Manchester Commerce, March 7; Manchester Port, March 14; Manchester Citizen, March 21; Manchester Brigade, March 28—all Manchester Line; Cold Harbor, Feb. 25; Lehigh, March 25—both Oriole Line.

To Aberdeen, Newcastle and Hull.—Kelso, Ellerman's Wilson Line, March 11.

To Cardiff, Bristol and Swansea.—Bristol City, Feb. 26; Montreal City, March 3; Boston City, March 24—all Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnglen (calls at Dundee), Feb. 24; Cairncross, March 9; Cairnesk (calls at Dundee), March 23—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Cunard-Donaldson and Dominion Lines, March 16.

To Glasgow.—Airthria, March 2; Dakotian, March 16; Sulairia, March 30—all Donaldson-Atlantic Line.

To Antwerp.—Beaverburn, March 6; Beaverbrae, March 13—both Canadian Pacific.

To Hamburg.—Beaverdale, Feb. 28; Beaverhill, March 27—both Canadian Pacific; Liberty (calls at Hull and Leith), American Hampton Roads, March 13.

To Copenhagen, Gothenburg and Baltic Ports.—Drottningholm (does not call at Copenhagen), Swedish-America Line, Feb. 27 and March 23; Blankaholm, Swedish-America-Mexico Line, March 9; Pilsudski (does not call at Gothenburg), Gdynia-America Line, March 13.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., Feb. 24; Fort Amherst, Furness-Red Cross Line, March 2; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., March 4; Newfoundland (does not call at St. Pierre), Furness Line, March 7; Magnhild, Shaw SS. Co., March 7.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Feb. 27; Lady Hawkins, March 12; Lady Drake, March 26—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 9 and 30.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, March 5; Lady Rodney, March 19—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Ba, Feb. 26; Lillgunvor, March 11—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, March 7; Colborne, April 4—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cavalier, Feb. 27; Cathcart, March 12—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silverteak, Feb. 29; Cingalese Prince, March 14; Japanese Prince, March 28—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Challenger, Feb. 28; Canadian Constructor, March 27—both Canadian National.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Victor, Feb. 28; Canadian Highlander, March 27—both Canadian National.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Tabinta, Java-New York Line, Feb. 27.

From Vancouver

To Yokohama, Kobe and Osaka.—Hikawa Maru, Feb. 29; Hiye Maru, March 14; Heian Maru, April 4—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls Honolulu), March 7; Empress of Russia (calls Nagasaki), March 21; Empress of Japan (calls Honolulu), April 4; Empress of Asia (calls Nagasaki), April 18—all Canadian Pacific; Talthybius, March 8; Tyndareus, April 5—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—A steamer, Feb. 29; Kota Agoeng, March 31—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Niagara, Feb. 26; Aorangi, March 25—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Bear, March 14; Golden Cloud, April 13—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Limerick, March 7; Cape Horn, April 6—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., March.

To London and Cardiff.—Bradglen, Reardon Smith Line, March 7.

To London, Liverpool and Rotterdam.—Lochmonar (calls at Glasgow and, if inducements offer, at Southampton), Holland-America Line, March 7.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—India, March 12; Canada, April 10—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Jose, Empire Shipping Co., Feb. 24.

To Scandinavian Ports.—Buenos Aires, March 10; Annie Johnson, March 20—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Empire Shipping Co., March 23.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Brynje, Canadian Transport Co., March 30.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Tabian, March 9; Silverwillow, April 6—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hardanger, March 17; Brandanger, April 16—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Knut Nelson (calls at Hull and Oslo), Anglo-Canadian Shipping Co., Feb. 27; Pacific Shipper (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., Feb. 27.

To United Kingdom Ports.—Filleigh, Anglo-Canadian Shipping Co., Feb. 24; San Jose, Empire Shipping Co., Feb. 29.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

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- Annual Report of the Department of Trade and Commerce.** (Price 25 cents.)
Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)
Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)
Annual Report of the Weights and Measures Inspection Service. (Price 10 cents.)
Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)
List of Licensed Elevators, etc. (Price 50 cents.)
Motion Pictures, Catalogue of. (Price 25 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

- Commercial Intelligence Journal Weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information.** Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.
Australian Market for Fish Products (1931).
French-Canadian Homespun Industry.
Greece as a Market (1931). (Price 25 cents.)
Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
Map of the World showing Trade Routes. (1930 Edition.)
Markets of Central America (1929). (Price 25 cents.)
Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
Sweden as a Market for Canadian Products (1928). (Price 25 cents.)
Switzerland as a Market (1929). (Price 25 cents.)
Trade of the African Sub-Continent (1928). (Price 25 cents.)
Trade Possibilities of the Baltic States (1929). (Price 25 cents.)
Trading with Colombia and Venezuela (1928). (Price 25 cents.)
Jugoslavia as a Market (1930). (Price 25 cents.)

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:
Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance; (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

- Canada, 1934.** (Price 25 cents.)
Canada Year Book. (Price \$1.50).
Report of the Dominion Statistician, Annual. (Price 10 cents.)
Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)
Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50 cents.)
Monthly Review of Business Statistics. (Price \$1 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

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Cuba

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Egypt

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France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

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India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

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JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

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Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: RICHARD GREW, Trade Commissioner. Address for letters—P.O. Box 230, Kobe Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

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M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, February 29, 1936

No. 1674



Canadian Cattle at Birkenhead

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, February 29, 1936

No. 1674

CANADIAN TRADE WITH THE NETHERLANDS IN 1935

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one metric ton equals 2,205 pounds; one florin or guilder equals Can.\$0.402 at par and approximately \$0.68 at current rate of exchange. Conversions have been made at current rate unless otherwise specified.)

Rotterdam, February 6, 1936.—Located at the gateway to continental Europe and characteristically an international middleman, the Netherlands is the seat of an important entrepôt and transit trade. For this reason it is unusual for the Dutch import statistics to coincide with the volume or value of exports to the Netherlands as shown by foreign countries. In the case of Canada, for instance, substantial quantities of wheat and other products were formerly reshipped from Rotterdam to Western Germany. The Canadian trade returns showing exports to Holland include therefore not only merchandise consumed in this country, but also that which goes into entrepôt or is redirected elsewhere. While the value of the Netherlands imports from Canada has moved downwards since 1931, the heavy drop as shown in the Canadian figures is due not so much to this as to the almost complete disappearance of Germany as a buyer of Canadian wheat and other cereals.

As recently as 1933, Holland was listed as Canada's third-best foreign customer, being credited with exports valued at \$18,440,912. Since then the decline in wheat shipments, together with the loss of the Rhineland market and the re-orientation of trade to Empire markets, has caused that position to be lost.

WHEAT

In 1933 the quantity of Canadian wheat imported for consumption weighed 231,643 metric tons. In 1934 and 1935 these figures were only 88,300 and 96,905 metric tons respectively. Similarly the quantity of wheat from Canada which moved through Rotterdam in transit was 381,834 tons in 1933 compared with 160,442 tons in 1934 and 18,515 tons in 1935.

Prior to 1935, Germany was an exporter of soft native wheat. For every ton sold abroad it was permitted to import an equal quantity of the foreign product and millers availed themselves of this opportunity of importing hard Canadian wheat for mixing purposes. In 1934 this practice was discontinued, while payment restrictions made the normal purchasing of foreign wheat impossible.

In addition to smaller wheat imports, preferential duties in other countries have tended to deflect trade to these preferred markets.

PURCHASES FROM CANADA OF LEADING COUNTRIES

In 1934 the Netherlands was in seventh position among Canada's customers, with exports valued at \$11,296,980. In 1935 the same relative position was maintained, but there was a further contraction in value to \$8,826,838.

The situation as regards purchases of Canadian goods, by the leading importing countries, has during the past three years been as follows:—

Country	1933	1934	1935
United Kingdom	\$210,538,331	\$270,333,857	\$303,501,002
United States	170,544,208	222,544,093	265,975,002
Australia	7,133,007	16,870,370	22,799,736
Japan	13,001,704	16,475,829	14,915,577
South Africa	4,415,877	11,574,927	12,498,123
Belgium	12,338,234	12,380,934	9,326,277
Netherlands	18,440,912	11,296,980	8,826,838
France	12,255,055	10,089,782	7,525,217

TRADE BALANCE

The margin between Canadian exports to the Netherlands and imports from the Netherlands is in favour of the former. In 1935 the total value of imports from the Netherlands into Canada was \$4,547,477 or only slightly more than one-half the sum representing exports to Holland. This was an increase from \$3,748,655 in 1934, which was a healthy sign.

IMPORTS FROM CANADA

The Netherlands official statistics convey a fairly accurate outline of the flow of Canadian imports into the country for consumption. They are not able, however, to take into consideration Canadian merchandise which arrives indirectly, the volume of which, if known, would greatly extend the total. These indirect imports come principally via the United States, the United Kingdom, and (to a lesser extent) Belgium. They are usually placed to the credit of these countries, such as is the case with wheat moving out through Albany and New York, which appears in the trade returns as of American origin.

During the past five years the volume and value of direct imports from Canada have been as follows:—

	Metric Tons	Guilders
1931	266,066	18,038,344
1932	430,721	23,454,119
1933	285,778	15,414,668
1934	128,289	7,701,780
1935	146,830	8,875,081

PRINCIPAL IMPORTS

Wheat is the principal commodity embodied in the foregoing figures. In 1935, for instance, wheat imports weighed 96,905 metric tons and were valued at fl. 4,626,648. It therefore represented 67·3 per cent of total imports by weight and 52·1 per cent by value. Apart from wheat, the balance of the imports from Canada consisted of coarse grain, flour, wood-pulp, base metals, rubber products, and a wide range of foodstuffs and manufactured goods. Many of these are individually of small value, but collectively they represent a substantial worth and volume.

The different products and main commodity groups which were imported from Canada in 1935, together with comparative figures for the preceding period, are subjoined:—

Commodity	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Fish and shellfish	72	31	78	33
Rendered animal fats	11	3	.....	.....
Cheese	6	2	.....	.....
Honey and artificial honey	13	2	45	9
Non-specified animal products	4,524	342	1,210	99
Wheat	88,330	3,975	96,905	4,627
Rye . . . . .	.....	.....	1,631	48
Barley	12,518	542	2,747	93
Oats	3,048	123	13,980	593
Grain n.o.p.	1,923	97	7,651	334

Commodity	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Grass and clover seed	11	7	1	0.7
Soya beans . . . . .	.....	.....	1,971	103
Fresh fruit	1,213	97	1,756	115
Dried fruit	263	60	124	28
Non-specified cattle food	1,471	71	1,536	72
Non-specified vegetable products . . . . .	.....	.....	134	9
Iron, steel and manufactures thereof	119	8	25	5
Non-specified metals and products thereof . . . . .	.....	.....	61	80
Non-specified minerals and products thereof	99	5	143	11
Copper, brass and brass ware	875	236	1,335	360
Lead and manufactures thereof	244	21	.....	.....
Zinc and manufactures thereof	25	2	.....	.....
Other minerals and manufactures thereof	99	5	143	11
Wheat flour	2,903	197	3,890	280
Non-specified flour products	9	2	33	5
Husked, broken, or crushed grains or malt	113	11	74	8
Chemical products	4	18	8	11
Paints and varnishes	28	8	35	7
Soap, oil products, etc.	476	212	532	295
Fish and whale oil . . . . .	.....	.....	1,187	74
Lumber	635	29	969	30
Non-specified wood products	30	3	15	1
Manufactures of wood and wood products	6,451	616	5,730	578
Hides and skins	171	62	87	70
Footwear	35	27	42	34
Leather products	2	7	2	7
Textile products	794	104	1,112	129
Bricks and other artificial stoneware products	923	114	1,014	118
Paper and paper products	12	4	9	3
Raw tobacco . . . . .	.....	.....	14	2
Non-specified foodstuffs	19	5	26	8
Agricultural implements, machines, etc.	47	24	33	26
Tools	7	3	5	2
Products of rubber and balata	540	581	543	538
Unspecified raw materials	4	9	3	21
Total, including goods not mentioned	128,289	7,702	146,830	8,875

NOTES ON THE GROUPINGS

In the fish and shellfish group, which appears at the top of the foregoing, the leading article is frozen salmon, imports of which contracted from 54 tons in 1934 to 45 tons in 1935. The small increase in the total was due to larger imports of frozen halibut. With the exception of salmon, the importation of all types of sea fish are restricted by import quotas which prevent an expansion in the fish trade. There have been no eels imported from Canada for several years.

There have been some small quantities of frozen animal glands for medicinal purposes purchased, but there were no imports of animal fats during the period.

The sharp decrease in the volume and value of non-specified animal products is accounted for by the contraction in the importation of fish meal from 4,463 metric tons valued at fl. 329,607 in 1934 to 1,088 tons at fl. 71,000 during the succeeding twelve months. This was caused by the sub-normal Canadian production, strong competition from California, and a 50-per-cent decline in total imports owing to lessened demand.

There was no meat meal or animal meal imported from Canada during the year. The loss caused by the shrinkage in the fish meal trade was partially compensated for by the resumption of the importation of sausage casings, which had been dormant since 1931. The weight of casing imports from Canada was 119 tons and the value fl. 27,000.

Apart from the two products above mentioned, there was also a small quantity of horse-hair included in the animal product group.

The larger importation of Canadian wheat, which exceeded that of the previous year by 8,575 tons and fl. 652,000, was the most important factor in the increase of all imports from Canada. A decline in barley imports was offset by more business in rye, oats, and non-specified grain, which latter consists entirely of buckwheat.

Canadian participation in the fresh and dried fruit trade consisted entirely of apples. Imports of dried apples declined by more than half in comparison with 1934 owing to the lack of sufficient supplies.

Linseed cake is the actual product falling under the heading of non-specified cattle food, the importation of which was slightly above the level of the preceding year. This is a restricted commodity, otherwise the figures would be larger.

The group embodying iron and steel and iron and steel products includes a wide variety of commodities. Among those imported from Canada are bolts, screws and nuts, valves, and pipe fittings. Raw nickel and nickel offal account for the imports under non-specified metals. Asbestos is grouped with the non-enumerated mineral group.

Canadian macaroni and similar flour manufactures are placed under the heading of non-enumerated flour products. Rolled oats account for the bulk of the item appearing as husked, broken, or crushed grain. There are also small imports of prepared cereals in packages from Canada.

Among the products listed as chemicals the importation of Canadian photographic films dropped from 2.2 tons (fl. 15,505) to 1 ton (fl. 3,000) in 1935. The most important article under paints and varnishes is yellow ochre. There are also small imports of special paints. Imports of toilet soap rose from 476 tons in 1934 to 582 tons.

Fish oil of Canadian origin is imported into the Netherlands sporadically, depending on market conditions. During the period under review, with a value of fl. 74,000, it was an item of importance. It is used principally by the Dutch margarine industry.

Canada is not competitive in ordinary pine and spruce in the Netherlands market, and lumber imports are accordingly confined to Douglas fir, which showed an improvement, particularly in volume, when comparing 1935 with the year before. Cooperage stock is the chief item under non-specified wood products.

The importation of sulphite pulp contracted from 6,299 metric tons valued at fl. 592,047 in 1934 to 5,489 tons at fl. 552,000 in 1935. There are also small quantities of plywood and wooden spoons included with wood-pulp under the heading of manufactures of wood and wood products in the table.

There was a decline in the importation of hides and skins, which include raw furs. Purchases of the latter actually rose in value from fl. 27,139 to fl. 33,000, but this gain was offset by decreased imports of cow hides, which brought the level of the total below that of the year before. Canadian furs are also brought in from the United Kingdom, but the volume and value of these is indeterminable. No leather was imported from Canada in 1935, which represents a net loss of 2.6 tons valued at fl. 10,049 in comparison with 1934. Quota restrictions prevent an expansion in the leather trade.

There are no imports of leather footwear from Canada. Business under the heading of footwear is represented entirely by rubber boots, with direct imports expanding from 10,021 pairs valued at fl. 27,496 in 1934 to 13,750 pairs at fl. 33,605.

The principal item under leather products is gloves, where there was a small shrinkage in value when the past year is compared with the preceding year.

The importation of products which come under the general heading of textiles rose from 794 tons at fl. 103,697 to 1,112 tons at fl. 128,725. Used jute sacks were represented here by 763 tons at fl. 102,401 and 1,111 tons at fl. 127,000 respectively.

Silk hosiery imports from Canada went down in value from fl. 2,626 to fl. 1,523. Quota restrictions account for this. There were also, for the first time, small purchases of dress goods in 1935, the value being fl. 1,018.

Building board manufactured from both wood-pulp and gypsum are classified in the trade statistics as "bricks and other artificial stoneware products." There was an increase in the importation of these from 923 metric tons valued at fl. 144,212 to 1,014 tons valued at fl. 118,367.

The Netherlands purchases small quantities of writing and printing paper in Canada, but the quality is too good and the price too high to permit a large volume of business being done. There was a small decrease in the trade during the period under review, imports having gone down from 12 tons at fl. 4,091 in 1934 to 9 tons at fl. 2,761.

Non-specified foodstuffs include canned salmon, lobster, pilchards, and similar products in cans or packages, there being an increase in the total coming from Canada by 8 tons and fl. 2,765. Canned salmon accounted for this, as did also small imports of confectionery.

Agricultural implements and other machines include binders and household washing machines and lawn mowers, while tools include the garden variety and also hand hammers.

The importation of rubber goods from Canada shows a slight increase in volume and a decrease in value. In 1934 there were 32,047 automobile tires valued at fl. 547,655 imported from Canada. Last year the respective figures were 32,655 and fl. 505,000. Inner tube imports increased from 7,038 units valued at fl. 15,562 to 8,667 at fl. 16,000. Miscellaneous articles such as hot-water bottles, gloves, and moulded goods made up the 1935 total.

EXPORTS TO CANADA

There is a closer coincidence between the Netherlands and the Canadian trade statistics regarding Netherlands exports to Canada than is the case with traffic in the opposite direction, although in 1935 an unusual difference existed owing to the movement of certain types of merchandise to Canada via indirect routes.

During the period under review imports into Canada from the Netherlands, according to the returns of the Dominion Bureau of Statistics, had a value of \$4,547,479, while the Netherlands statistical office shows exports to Canada as having a value of fl. 4,329,590, which is the equivalent of only slightly less than \$3,000,000. In 1934 the respective figures were \$3,748,655 and fl. 4,641,239 (about \$3,156,030), and in 1933 \$3,233,588 and fl. 5,137,000 (about \$3,493,160).

As regards 1935, the Canadian total can be regarded as the more correct of the two. The principal reason for the disparity is the movement of vegetable oil to Canada via England and, perhaps to a less extent, through Belgium. This is because of the lack of adequate tank space in the vessels running direct from Holland to Canada. The Netherlands export statistics credit these countries as the importers and not Canada. During the year under review Canada is shown as having been a purchaser of vegetable oil to the extent of only fl. 82,359 (about \$57,000). Canadian import statistics, however, for the first eleven months of 1935 show the value of Dutch vegetable oils as standing at \$1,027,870. Crude peanut oil is the principal item with a value of \$836,044. Linseed oil followed with \$42,246, and palm oil was third with \$23,476.

In any case, Netherlands exports to Canada are in general less diversified than imports from Canada. According to the data published by the Central Statistical Bureau at The Hague, the most important item in 1935 was rope and cordage, mainly binder twine, which had a value of fl. 1,343,470, or double that of the year before.

Flower bulbs and nursery stock share with binder twine the most important place among the exports to Canada, having had a value of fl. 860,160 against fl. 692,530 in 1934. The other leading commodities include potato flour and dextrine—which are shown under the heading of “non-specified flour products” in the subjoined table—chemicals, artificial silk, yarns and linen, and cotton rags. When a comparison is made with 1933, a sharp decline is evident in Canadian purchases of artificial silk yarn from the Netherlands. In that year the weight was 473 metric tons and the value fl. 635,648. In 1934 these figures were 209 tons and fl. 264,280 respectively, while in 1935 there was a further shrinkage to 190 tons valued at fl. 230,159.

In the Netherlands statistics exports to Canada are classified in the same general groups as imports. Particulars regarding the leading groups and commodities, with comparative figures for 1934, are as follows:—

Commodity	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Fish and shellfish	296	38	428	52
Cheese	31	12	33	11
Milk products	35	5	38	5
Unhusked rice	102	7	....	....
Seeds, other than vegetable and flower..	496	121	331	75
Pulses	70	9	47	6
Vegetable seeds	133	82	70	46
Preserved vegetables	139	15	94	11
Bulbs and nursery stock	1,528	693	1,855	860
Non-specified vegetable products	276	42	193	19
Iron, steel and manufactures thereof..	88	13	35	5
Husked, broken or crushed grain..	94	6	174	13
Flour and flour products	3,282	286	1,214	112
Chemical products	690	229	532	130
Medicines and patent foods	29	59	40	84
Paints, dyes and varnishes	2,477	274	2,199	227
Vegetable oils	5,804	715	372	82
Soap products, etc.	323	68	174	47
Hides and skins	25	43	35	32
Yarns.. . . .	209	264	191	230
Cordage	3,424	650	7,248	1,343
Textiles	31	57	73	122
Paper and paper products	159	32	182	32
Cocoa and chocolate	166	40	196	49
Spirits	37	13	28	9
Rags, waste, etc.	692	102	1,026	161
Total, including goods not mentioned	49,948	4,641	37,428	4,330

ENTREPÔT TRADE

It has been noted at the beginning of this report that merchandise arriving in Rotterdam, apart from being entered for consumption in the Netherlands and re-exported in transit, is also put into entrepôt.

In 1935 goods of Canadian origin to a total volume of 859 tons were placed in entrepôt in the Netherlands. The value is unknown. The principal products, together with the weight of each in metric tons, were as follows: casings, 53; non-specified products of animal origin, 12; fresh apples, 79; dried apples, 10; canned asparagus, 2.6; feeding cake, 409; raw and semi-manufactured products of mineral origin, 171; wheat flour, 106; rolled oats, 5; canned salmon, 1.5; non-specified foodstuffs, 3.4.

Merchandise held in entrepôt in the Netherlands may be re-exported, used as ships' stores or ultimately entered for use in the country. In 1934 the total quantity of Canadian goods entering entrepôt was 2,511 tons, which was roughly three times as great as the quantity in 1935. This difference helps to account for the decline in the value of exports to the Netherlands as shown in the Canadian statistics.

TRANSIT TRAFFIC

Mention was made in an earlier paragraph of this report of the almost total disappearance of the once important transit traffic in Canadian wheat through Rotterdam. Apart from the 18,515 tons of wheat which have already been referred to, the Canadian goods moving through Rotterdam in transit included 735 tons of non-specified grain, 6,235 tons of non-specified minerals (probably nickel), 18,675 tons of crude copper, and 219 tons of crude aluminium and aluminium offal, 1,965 tons of other non-specified minerals and mineral products, and 572 tons of husked, broken, and crushed grain. The destination of the foregoing products is not specified.

PROPRIETARY GOODS IN THE LONDON MARKET

C. H. WEST, ASSISTANT TRADE COMMISSIONER

London, February 5, 1936.—In the United Kingdom proprietary articles have a very wide sale. If anything, the tendency appears to be for an increase of this type of goods on the market, and advertising is doubtless the greatest conducive factor in this development. Government regulations are becoming more stringent, at least with regard to goods intended for internal use, but sufficient inducement is offered in the way of potential profits for new articles to be continually offered to the public. In line with the tendency, doctors are prescribing proprietary preparations to an increasing extent, and correspondingly chemists, to meet the demands of their customers, are obliged to carry large stocks of goods of this nature.

It is somewhat difficult to define what is meant by "proprietary" articles, and the term is loosely used. Originally, no doubt, it implied goods in which proprietary rights were claimed, and which would include "patent medicines," or medicines sold under letters patent. In trade circles to-day, however, the description "proprietary" is employed in reference to all medicines and drugs sold under private labels, and even where, for reasons to be explained later, it is expressly stated that no proprietary rights are claimed in the preparation. Tooth-pastes are also placed in the same category, and it may be extended to include toilet preparations of all kinds. By reason of this uncertainty, proprietary preparations are discussed in the course of this report in their broadest significance.

METHOD OF SALE

Dependent on the way in which their sale is promoted, proprietary goods may be divided in a general way into two classes. In one case the manufacturer directs his appeal to the general public, and chooses such advertising media as are best suited for this purpose such as newspapers, notices in public conveyances, signboards, etc., and where possible demonstrations are also sometimes adopted. Articles in this class such as toilet preparations, tooth-pastes, medical remedies, etc., are of a description that are in constant demand, and their properties can be described in layman's language.

On the other hand, purely pharmaceutical preparations are generally sold by direct approach to professional men. Practitioners are sent advertising material and samples through the mail, and often are solicited personally, the object being to induce them to prescribe the preparations in question, and so stimulate their sale. Drugs of this description usually require a professional knowledge of their use, and this in itself dictates the method of exploitation indicated.

IMPORTS

In general, the majority of toilet preparations now being imported into the United Kingdom come from France and the United States; Canada is also a major source of supply. These goods as such are not separately classified in the United Kingdom trade figures, but following are the value of imports under the heading "perfumery, cosmetics and toilet requisites, and articles used in the manufacture thereof (except perfumed spirits, essential oils, and soap) containing alcohol":—

	1933	1932
Total	£15,724	£42,233
France	6,462	7,942
United States	4,000	3,989
Other foreign countries	1,580	957
Canada	3,681	29,189

Corresponding figures for goods of the same description "other sorts" are as hereunder:—

	1933	1932
Total	£160,791	£261,727
France	74,998	119,480
United States	43,253	47,837
Germany	7,209	11,201
Switzerland	1,522	1,859
Other foreign countries	9,635	5,944
Canada	21,002	74,699
British West Indies	1,175	.....
Other British countries	1,997	707

A feature of the above figures under both classifications is the pronounced diminution of imports from Canada in 1933 as compared with 1932. This is probably due to the fact that many firms in Canada manufacturing toilet preparations are subsidiaries of United States concerns, and doubtless found it impossible to meet the required minimum of 50 per cent Empire content in order to qualify for preference under the Ottawa Agreements. Furthermore, many important American manufacturers of cosmetics, etc., have recently established themselves in England.

PROPRIETARY MEDICINES

With regard to proprietary medicines, a number of these are specifically mentioned in the United Kingdom trade figures, and in most instances they are largely imported from France and Germany. Under the heading "proprietary medicines not elsewhere specified," the import statistics are as follows:—

	1933	1932
Total	£365,935	£209,488
France	99,051	39,612
United States	76,873	110,036
Germany	57,144	23,060
Switzerland	49,076	13,327
Netherlands	35,450	1,382
Other foreign countries	3,367	5,200
Canada	29,958	14,746
Australia	1,476	228
Other British countries	13,540	1,897

In the year 1933, as contrasted with 1932, it will be seen that France supplanted the United States as the principal source of supply for proprietary medicines in the "not specified" class, and Germany remained in third place although with a largely increased trade, and Switzerland and the Netherlands also made pronounced advances. A percentage of the class of goods in question consists of pharmaceutical preparations, the sales of which, as mentioned previously, are created by propaganda directed at the medical and related professions, and in this particular section Germany and Switzerland are pre-eminent.

TRADE ORGANIZATION IN THE UNITED KINGDOM

The bulk of the business with retail chemists in the United Kingdom is conducted through wholesale distributors. There are approximately six large firms of this nature in the London area and some seventy-two throughout the country as a whole. Several of the London concerns have branches in England and Scotland, and in one instance including Ireland, and in any case, through affiliations with wholesalers outside of London, they are able to cover the entire United Kingdom effectively.

In the larger cities at least the wholesaler is in constant communication with the chemists who are his customers, both by telephone and by means of travellers, and the chemists are able to get frequent and rapid deliveries. There has been some complaint, in fact, that the retailer declines his legitimate responsibility in carrying stocks, and waits until he has had a request for a particular article from a customer, and then orders from the wholesaler, and only the quantity that is required at the moment. Due to the stress of competition and the desire to retain the goodwill of the trade, this practice has been countenanced, if not actually encouraged, by the wholesaler, but it is not likely to continue. The wholesalers are now taking steps as a body to re-establish the two branches of the trade upon their proper footing.

In some instances the wholesaler has exclusive distributive rights in respect of a particular commodity for the whole of the United Kingdom, and this is the basis on which he prefers to operate. It is also in the interests of the manufacturer that this should be the arrangement made, as the distributor is then much more inclined to desire to further the sale of the product concerned. He may do this in one way through his travellers who call on the trade, and who would be especially directed to bring the article to the attention of the chemist. Otherwise—and if the distributor is merely one of a number of stockists without exclusive sales rights—he will likely merely carry sufficient supplies to meet any orders that may come to him.

TRADE TERMS

A wholesaler ordinarily carries on business on a margin of from $12\frac{1}{2}$ per cent to 20 per cent off the price to the retailer, depending on the nature of the article concerned, and other circumstances. Thus, if the goods are nationally advertised, and consequently have greater sales, his profit is $12\frac{1}{2}$ per cent; on perfumes the minimum is 15 per cent; and on shampoo powders and hair creams it is customary to charge 20 per cent. Again, if the goods are of a heavy nature, and the wholesaler is obliged to stand at least part of the cost of carriage on shipment to the retailer, he receives 25 per cent.

The chemist in turn expects a reduction of from 25 to $33\frac{1}{3}$ per cent off the retail price. Accordingly, if an article retailed at 15s., the cost to the chemist would be this amount less (say) $33\frac{1}{3}$ per cent, or 10s., and deducting $12\frac{1}{2}$ per cent of this for the wholesaler, his cost would be 8s. 9d. Further, if an article is handled in the United Kingdom through an agent, he in turn must be provided with a commission of $12\frac{1}{2}$ per cent off the wholesale price.

MARKET DEMAND

Generally speaking, the outlook for any new line of toilet articles is not so hopeful as with proprietary medicines. The market is swamped with toilet preparations of all kinds, principally in the way of cosmetics, and an article that is hoped to successfully introduce should, if possible, possess some novel feature or special properties. In view of the wide range of toilet articles already before the public, a distributor hesitates to take on a new line except in the circumstances mentioned, and in most cases he will steadfastly refuse to stock the goods until a public demand has first been created.

It is of considerable assistance to agents in approaching prospective distributors if they are able to assure the latter that the manufacturer intends spending a stated amount in advertising. Interest on the part of the public may then be expected to follow, and the distributor recognizes the necessity of having stocks on hand to meet initial orders, which are considered of paramount importance.

In the opinion of one London wholesaler, \$50,000 is not an exorbitant amount to be contemplated for advertising in creating a national demand for a new product in this market, and the more money that can be devoted to this purpose the better is the likelihood of success. Practically any article of a type that appeals to a large percentage of the public, if it is sufficiently and properly advertised, and providing prices and discounts to the trade are right, can be successfully marketed. In some cases the distributor in this country undertakes to help create a demand for a particular preparation, but in such instances he requires an additional advertising allowance.

STAMP TAX

Reference should be made to the so-called stamp tax on certain types of proprietary preparations, as this materially affects the selling price of articles to which it is applicable, and thus may determine their success in this market. The tax is imposed under a series of Stamp Acts which are under the administration of Inland Revenue authorities, who determine what articles are properly subject to the impost.

Only medicines are liable to the tax, and consequently unmedicated foods, toilet preparations, disinfectants, medical appliances, etc., are exempt. Not all medicines are required to be stamped, however, and, generally speaking, only if proprietary rights are claimed in the article concerned, or if it is held out to be or recommended as a cure for human ailments. To avoid these regulations vendors of medicines now make a practice of disclosing their formula on the container, and expressly state that no proprietary rights are claimed in the preparation.

The tax is based on the selling price of the medicine to the public, and on a 1s. article, for instance, it is 3d., and if the retail price exceeds 24s. the stamp tax is 4s.

As has been pointed out, the United Kingdom is already the selling ground for a large volume and variety of proprietary preparations. Consequently, any Canadian manufacturer who hopes to compete in this country should be able to offer a product that has superior or distinctive qualities, and in addition he must be prepared to advertise it extensively. The last-mentioned is undoubtedly the most important requirement, not only in first introducing the article to this market, but also in keeping it before the public. Proprietary preparations are inclined to come and go in popular esteem, and will be quickly displaced by competitive lines unless their names are continuously before the public.

Canadian firms have the advantage of tariff preferences. In general, proprietary preparations imported from the Dominion are not dutiable unless they contain sugar or spirit, or some foreign chemical dutiable under the Key Industry Act; on the other hand, the tariff on foreign toilet preparations of the same type approximates 30 per cent.

With the facts set forth in this report in mind, and realizing the importance of the advertising factor in the ultimate success of any sales scheme, any Canadian firm who desire to investigate this market are invited to communicate with the office of the Canadian Trade Commissioner in London.

NORTH OF ENGLAND BUSINESS CONDITIONS

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Liverpool, February 1, 1936.—Trade throughout the North of England, which has continued to suffer more or less from the depression, while the Midlands and South have been reporting better conditions since 1933, has now begun to share to an appreciable extent in the general revival. The year 1935 was undoubtedly one of improvement in the important industries in the North.

COTTON

In spite of the difficulties still being experienced in foreign markets, particularly in piece-goods, the cotton industry has shown a general improvement. During the year the imports of raw cotton increased, and the stocks on hand are much greater than a year ago. Deliveries to spinners, the figures of which are usually taken as an index to the state of the trade, averaged 3,500 bales more each week in 1935 than in 1934.

The exports of cotton yarns during the first eleven months of the year increased roughly from 120 million pounds to 130 million pounds. Against this must be placed the reduction in exports of piece-goods from approximately 1,833 million pounds to 1,801 million pounds. The increase in cotton yarns is attributed to several factors, among which were the low condition of stocks in overseas markets; the quota systems in several colonies, designed to check Japanese competition; and the preoccupation of Italian spinners, particularly during the last six months of the year.

The fall in exports of piece-goods was particularly marked during December. The uncertainties prevailing with regard to the future crop control in the United States, the irregular movements of cotton prices, and the rather disturbed political situation are the reasons given for the loss of trade in this section. Many foreign buyers are believed to be waiting the results of one or two important conferences which will affect the Lancashire cotton industry.

Employment in the industry stands at a higher level than at the end of 1934. This improvement came chiefly during the autumn months, when increased orders were received from abroad.

Movements are still on foot to reorganize and regulate the industry; a wages agreement was concluded during the year, but considerable dissatisfaction exists over the standards adopted.

A bright feature of the trade was the purchases of piece-goods by West Africa, which nearly trebled during the year. A further expansion in the trade in yarns and the recovery in that of piece-goods is looked for in 1936, should the improvement in primary commodity prices continue its upward trend.

COAL

The output of coal during 1935 in Great Britain is roughly estimated at 222,000,000 tons, which represents an increase of approximately 1,750,000 tons over 1934. Since the exports for the year, including bunkers, fell off, it follows that there was an increase in domestic consumption.

A development which naturally had its effect on the coal-fields in the North of England was the recovery in 1935 of the Irish Free State market, about half the demand from which had previously been placed in the hands of continental suppliers. This recovery, however, was offset by the loss of the Italian market.

Trade in Durham and Northumberland areas is reported to be rather slow; but conditions prevailing now are better than those at the beginning of 1935. At that time many pits were closed, and most of the collieries were just holding

their own. The situation improved during the summer, however, when increased buying came from the Scandinavian countries. Later on, the good market for household coal and the encouragement offered by the inauguration of the industry at Billingham for obtaining petrol from coal had a further stimulating effect.

Reports from the Midlands are more favourable. There is a good demand for household and industrial coal, and suppliers are finding it difficult to fill orders. The demand in this area for export coal is greater than the supply available at present, and the pits are working full time. Orders from the railroads have shown a substantial increase since June last.

SHIPBUILDING

On the Northeast Coast, on the rivers Tyne, Wear, and Tees, forty-seven vessels were launched, totalling approximately 84,000 tons, in 1934. During 1935, while the number of vessels launched was reduced to forty-three, the tonnage involved rose to 134,989. A goodly number of orders are on hand, and while many yards in this area are still empty, several which have done no work for the past three or four years are active again. Activity on the West Coast is also quickening. Barrow-in-Furness is busily engaged on an important naval program, as well as on one passenger liner and several small vessels. Two large passenger liners for the Indian and Orient service were launched from these yards during 1935.

On the Mersey the shipbuilding firm of Messrs. Cammel Lairds at Birkenhead launched 31,244 tons during 1935 as compared with 23,000 tons in 1934. Among several orders on their books is one for the aircraft carrier *Arc Royal*. Others are for three liners, one submarine, one tanker, and several small tugs. This work will keep the Mersey yards fairly well occupied for the next two years.

Ship-repairing work in the North of England has shown a substantial improvement. With the expected improvement in shipping there should be an increase in the volume of repair work coming forward.

ENGINEERING

All sections of the engineering industry, with the exception of that concerned with textile machinery, report a marked revival during the past year, and the majority of firms are experiencing greater activity both in the export and domestic markets than for several years past. The output of iron and steel, which is a good index of the activity of the metal-consuming industries, rose substantially during the year. Adverse conditions in several export markets for textile machinery are held as responsible for the small increase in this section.

In the locomotive section a great fillip was provided by the placing of record orders for engines by the railway companies. The business done in electrical equipment was regarded as highly satisfactory, bringing about a much more favourable outlook than existed this time last year. An increase in the demand for gas reflects the increased activity in the gas engineering industry, both in the manufacture of domestic and industrial equipment. The motor and aircraft manufacturers, while some of the smaller units have been absorbed or have disappeared, are more than usually prosperous. Their success in the export market has been most marked in the face of difficulties. The motor accessories branch is very active in meeting a strong demand.

IRON AND STEEL

The steady improvement that has characterized the British iron and steel industry during the years of recovery has been fully shared by the North of England producers. Figures of production for the whole country have risen steadily since 1932. The output of pig iron for 1935 reached 6,426,000 tons, an

increase of 7·7 per cent over 1934 and a record since 1929. The production of steel ingots and castings totalled 9,842,400 tons, an increase of 11·2 per cent over 1934 and a record for the post-war years.

In the Sheffield area a brisk demand continues for all steels. A feature of the trade has been the increase in orders for alloy steel, largely from the aircraft and motor industries. Stainless and specially coated steels are making definite headway, new uses being found for them each year. Armament and railway contracts are providing steady employment.

On the Northeast Coast progress is reported as very satisfactory. Production is well in advance of that of twelve months ago, and it is expected that several more blast furnaces will be lighted shortly to supply the greatly improved demand for pig iron. At present there are twenty-seven out of seventy-three furnaces in operation. In 1929 the average number in blast was forty-two. The lowest average was in 1932, when only sixteen were lighted.

HARDWARE AND CUTLERY

Activity reported in cutlery and plate has been well maintained throughout the year. It is estimated that the production for 1935 is in excess of that of last year. A good demand exists for all sorts of hollow-ware, table and pocket knives, and scissors; manufacturers of razor blades are fully employed.

Hardware manufacturers report successful business and the prospects for 1936 are bright. Substantial orders for locks and fittings from the building and motor industries have been a feature throughout the year. Export statistics record a decided improvement.

WOOL TEXTILES

One of the busiest of the Northern industries during the year was that of wool textiles. At periods there was much overtime work at the mills and factories in Yorkshire. During the first quarter of 1935 conditions were a striking contrast to those prevailing at the end of December. This improvement is attributed principally to the recovery in prices for raw wool. In January, 1935, prices were depressed owing to a surplus existing of unshipped wool in the various supplying countries. By midsummer these surpluses had been taken up and prices stiffened. Increased demand is looked for from Japan and the United States, and with a growing demand from this country prices will continue to rise.

In the export trade an increase was reported in wool tops—about 14,000,000 pounds—owing chiefly to larger purchases from Germany and Canada. Substantial sales in noils and wastes are responsible for an increase of 5,000,000 pounds in the export of these products. Yarns fell off slightly, while woollen and worsted tissues showed an increase of 6,000,000 square yards. The Dominions, Denmark, and Argentina were large buyers.

The domestic trade in wool textiles was the chief feature during the year, and was the main driving force making for better conditions.

LACE

Up to the end of November the value of exports of lace curtains and nets of all kinds in Nottingham and other centres showed a regular monthly increase. From then on, however, the demand fell off, and at the time of writing the industry is comparatively inactive, and confidence is lacking. The one bright feature is the expanding trade in fancy laces of cotton, which for the year 1935 has shown an increase in production of 20 per cent over the previous year. Trade reports point to an early revival in all the laces.

RAYON

The year witnessed a further expansion in the consumption of rayon yarns. A wider use of rayon in almost every section of the textile trade by reason of

low price, adaptability, and attractive appearance gave rise to a steadily increasing demand. Close observers of the industry are of the opinion that the reduction in excise tax from 1s. per pound to 6d. per pound made in 1934 exerted its full effect in 1935, and that the rate of consumption of rayon yarn has been speeded up mainly on this account.

For the first ten months of 1935 the output of rayon yarn totalled 102,000,000 pounds against 75,000,000 pounds in the corresponding period of 1934, an increase of nearly 40 per cent.

An important factor in the large increase in the production of yarn has been the extensive expansion program of Messrs. Courtaulds. A recent development in this program was the beginning of the construction of a large factory in Preston, which is to be the largest of its kind in the world.

BUILDING

Steady progress has been made throughout the year in the building industry. There has been an increase in demand for all classes of building work. A good deal of the prosperity has been due to the continued activity in house building. The problem of slum clearance is still a pressing one in the large cities in the North, and the carrying out of the wide programs laid down during the past few years for the erection of municipal housing structures has been well maintained. The facilities for house purchase have not been so liberal for many years. Prices are low and keenly competitive, and every modern amenity is being provided at cheap rates.

SOUTH WALES TINPLATE TRADE IN 1935

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 4, 1936.—The total output of thin rolled sheets of the plate mills of South Wales during 1935 only aggregated 708,234 tons compared with 747,953 tons in 1934 and 879,800 tons in 1933. This output included terneplate and blackplate as well as tinplate, but the production of the latter also declined to 612,995 tons compared with 661,933 tons in 1934 and 683,904 tons in 1933.

This drop in production was a decline in the output of the mills, measured in terms of percentage capacity, from 57½ per cent in 1934 to 52 per cent, while unemployment in the industry among workers increased seriously from 31·9 to 35·3 per cent. As usual, the fall in production was attributed to the decline in exports, although at the same time world consumption was not seriously affected. In fact, in the United States, for example, the consumption of tinplates was reported to have increased at least 30 per cent during the year, while the total output of tinplates for the world, for the year ended October, 1935, amounted to 3,307,000 tons compared with 3,191,000 tons for the previous twelve months.

INTERNATIONAL TINPLATE ASSOCIATION

The division of the world's markets seems to be well organized and controlled, particularly since the entrance of the British iron and steel manufacturers into the Continental Steel Cartel in July, 1935. While exports from this country have declined, perhaps to conform with the arrangements of the International Tinplate Association, there is some evidence that there is less competition in the trade than formerly, particularly of the wasteful type, which has resulted in firmer and improved prices. It is also reported that it was the strength of this organization of the export markets which enabled South Wales rollers of tinplates to raise their base prices in October, 1935, from 18s. 2d., which had obtained since January, 1935, to 18s. 9d., despite the reduction in

the volume of business reported above. During this period the price of tin was slightly lowered, but this reduction was offset by higher prices for steel bars, which rose from £5 2s. 6d. to £5 5s. per ton in June, and again at the end of October to £5 10s. During the year wages also were at slightly higher rates.

REDUCTION IN EXPORTS

The new control of exports has resulted in a reduction in the quantities of tinplates sent out from South Wales, and during 1935 the total declined to 330,143 tons from 372,071 tons in 1934. The exports of all plates—tinned, black, and terne—declined to 382,420 tons in 1935 compared with 426,797 tons in 1934.

During 1935, besides considering and accepting the decision to enter the International Tinplate Association, important sections of the industry took further steps towards centralization of control. Some important amalgamations, and purchases of production plants, were effected in 1935. Another important development of 1935 was the purchase by a tinplate group of steel works in South Wales, which had been idle for many years, with a view to remodelling and operating it.

PROSPECTS FOR 1936

At the end of 1935 the volume of orders on hand in the various tinplate mills was reported to be sufficient to permit production well into the first half of 1936. It was also reported that new business was rather slow, but owing to the success of the operations of the international organization there was a feeling of optimism throughout the industry and the various markets, while prices, if anything, were firmer. At the beginning of 1936 production had been increased for the whole industry from 52 to 56 per cent of capacity, while, as was reported for other industries, the effect of the maintained or even improved domestic economic conditions was making for a fair amount of buying from tinplate consumers.

CANADIAN TIMBER FOR SCOTTISH HOUSING

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, February 7, 1936.—The work of providing more adequate housing accommodation for Scotland's urban population has been proceeding apace for some years, and there is every indication that building activity for this purpose will continue, perhaps at an accelerated rate, for the next ten to twenty years.

GLASGOW

The city of Glasgow, according to an official report just made to the Town Council, has at present 82,109 families living in overcrowded conditions, on the basis of standards laid down in the Housing (Scotland) Act, 1935. To relieve this overcrowding, the city will require to build 46,663 houses. In addition, there are at present 10,440 insanitary or uninhabitable houses which will have to be replaced. Finally, there will be a large number of houses required to provide for the normal growth of the population. The requirements for increased population, of course, cannot be stated exactly, but it is estimated that the city will have to build a total of 100,000 houses to relieve overcrowding, to replace houses unfit for occupation, and to provide for a growing population. Experts believe that it will take at least twenty years to build these houses. The annual building program of the corporation has recently been increased from 2,500 houses to 4,000, and it will be a difficult matter to make a further increase to 5,000.

OTHER CITIES

Other cities in Scotland have the same problem of overcrowding to deal with, differing only in degree from that of Glasgow. Edinburgh, for example, is now

committed to a housing program of 1,000 houses each year for five years, and, in the opinion of the corporation housing director, it will probably be necessary to carry on for at least ten years at the same rate. Other municipalities have definite plans for housebuilding as follows: Paisley, two years at the rate of 1,000 houses each year; Hamilton, one year at 1,000; county of Lanark, two years at 1,000 each year; Berwick-on-Tweed, 600 houses; Aberdeen, 2,000 houses; Dundee, 700 houses.

With the exception of Edinburgh, the foregoing are all immediate programs, and it has not been possible to obtain an expression of opinion as to the period over which similar building operations may have to be extended. It seems likely, however, that, since Glasgow will carry on for twenty years and Edinburgh for ten, other cities, on the average, will need to build at present rates for at least ten years.

This building activity provides a good opportunity for the sale of Canadian lumber, not perhaps at a high margin of profit, but steadily over a period of years—the kind of business than can be intelligently planned for well in advance.

OPENINGS FOR DOUGLAS FIR

The Canadian lumber of principal interest in Scottish municipal housing schemes is Douglas fir. It is used both for interior trim and for rough joinery or carcassing. Eastern spruce for carcassing, although used to a considerable extent in England, does not seem to suit the requirements of Scottish builders.

Clear Douglas fir for interior trim is recognized as the most suitable and economical wood available for the purpose. It is specified in practically all municipal housing contracts. Supplies in this country are well balanced to requirements, prices are properly in line with possible competing woods, and it is only necessary for British Columbia exporters to be careful that this satisfactory situation is maintained.

The situation with regard to the use of merchantable Douglas fir, on the other hand, presents scope for improvement, and it appears, from this distance, that British Columbia shippers might take fuller advantage of the opportunity to cultivate this steady market.

As a result of persistent urging, officials of a majority of the important cities, after satisfying themselves as to the suitability of the wood, have included merchantable Douglas fir for carcassing in their specifications when awarding contracts. This would seem a satisfactory outcome, but, unfortunately, in many cases where contracts had been awarded on a Douglas fir basis, it was found that this wood was not procurable on short notice and, to avoid delay, contractors had to be permitted to revert to the use of Baltic whitewood.

COMPETITION OF BALTIC WHITEWOOD

Baltic whitewood is the accepted material for rough joinery in this country. All builders use it, and timber merchants carry large stocks and can supply required dimensions on the shortest notice. Douglas fir, on the other hand, is only called for by public institutions motivated by the desire to use Empire materials. It is at best, in the mind of the builder, merely just as good as Baltic wood, usually a little dearer, always hard to obtain, and therefore of no interest to the speculative builder. It is quite apparent that the demand for Douglas fir is embarrassing to timber merchants. In order to cater for this demand they would need to carry duplicate stocks, whitewood for the private and Douglas fir for the public builder, and yet could expect no increase in sales to compensate for additional overhead expense. Therefore they prefer to concentrate on Baltic wood and carry in stock little or none of Douglas fir.

ATTITUDE OF GLASGOW CORPORATION

Recognizing the fact that, for the present at least, Douglas fir in sufficient quantities would not at any time be immediately available, the Corporation of Glasgow has for some time awarded its contracts on a basis of 50 per cent whitewood and 50 per cent Douglas fir. In a contract for 500 houses, for example, the joiner will start work immediately using Baltic wood. He is expected at the same time to place his order for Douglas fir in the required dimensions and, if the Canadian timber arrives within three months or thereabouts, he can use it in the remaining 250 houses. If the shipment does not arrive in that time, the contractor will probably be allowed to complete his contract with whatever lumber is available, as delay is not permitted.

This plan would be entirely successful except that it frequently takes more than three months to fill the orders. At present it seems to take from four to six months to get supplies from British Columbia, and under such circumstances it will be readily apparent that officials of the Glasgow Corporation are exercising considerable patience if they continue to specify Douglas fir.

DIFFICULTIES OF THE MARKET

It is admitted that, from one point of view, Scotland is a difficult market for merchantable Douglas fir, due to the fact that full sizes are required here, whereas most other markets take scant sizes. This no doubt accounts to some extent for frequently delayed shipments. On the other hand, a little planning might overcome this difficulty. In Scotland at the present time thousands of identical houses are being built. Timber specifications for contract after contract are repetitions; the same dimensions are required over and over again. This situation will continue for one or two decades, and while it is conceivable that house designs will be altered, and the dimensions specified years hence will not be the same as those specified now, nevertheless there is now, and will probably continue to be, every opportunity for the British Columbia timber trade to anticipate Scottish demand.

If this were done, if the necessary number of mills could be allocated to sawing the dimensions required in Scotland, deliveries could be effected easily within three, perhaps in little over two, months. Furthermore, housing authorities in all cities would be the more disposed to follow Glasgow's example and, being able to assure prompt deliveries, there would be little doubt of success. Quite conceivably, if deliveries were improved to the point where 50 per cent of the Glasgow and Edinburgh housing schemes were actually being effected in Douglas fir, the timber merchants might find it profitable to carry adequate stocks. In the event of such a development, it would then be feasible to recommend the use of Douglas fir exclusively.

SUMMARY

It may be useful briefly to review and sum up the present situation. The majority of Scottish housing authorities are willing, several of them keen, to use Douglas fir. In some cases, they would even pay a slightly higher price for it, but in no case can they allow their programs to be delayed. The market afforded is a steady one, and will remain so for a number of years. Full advantage should be taken of the pronounced Scottish sentiment in favour of Empire timbers.

COMMODITY MARKETS OF SCOTLAND IN 1935

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

CANNED FRUITS AND VEGETABLES

Glasgow, February 5, 1936.—The past year in this trade has on the whole been an improvement upon 1934. At the same time there have been so many factors at work to unsettle buyers that caution has been a pronounced feature during the whole of the period.

As usual, Californian and Northwest packers have had the largest share of the trade. The fixing of minimum prices, hours of labour, etc., under the "New Deal" have not materially affected the terms on which their products are being sold. Australian competition is likely to increase. Only a small range of fruits suitable for the British market are packed by other countries.

In accordance with experience, the principal business in Canadian canned fruits was in gallon apples and pears. Both are well established on the market, and both enjoy a substantial share of the business, as the import figures show. A considerable trade is also done in loganberries. One development of the year was the trade in fruit pulp from British Columbia (strawberries in SO₂), of which 150 tons have been imported. There is a good opportunity for this product from Eastern Canada as well.

Imports of Some Canned Fruits into Scotland

	Canada		United States		Australia	
	1935	1934	1935	1934	1935	1934
Apples	41,500	49,027	93,619	85,997	100	250
Loganberries. .	508	1,461	457	549	.....	.....
Peaches	2,820	350	82,317	103,340	18,773	18,277
Pears.	29,097	24,140	123,361	170,578	20,988	23,439

CANNED SALMON

The trade in canned salmon, and particularly Canadian sockeye, was exceptionally good during 1935. One of the largest distributors reports that their sales have increased in the West of Scotland by 20 per cent as compared with 1934, and they are looking for a greater increase in the present year. Canadian sockeye accounts for 90 per cent of the sales by this firm. In the East of Scotland sales have expanded similarly.

Figures to show the imports of canned salmon into Scotland are not available. Imports by sea are known, but the statistics would be misleading as large shipments are made by rail or coast steamer by importers in Liverpool and other ports in England, the quantities of which are not known.

FISH OIL

The course of fish oil markets during the year has been steadily upwards owing to reduced supplies from Japan, Norway, and Iceland, prices prevailing to-day being about 50 per cent higher than those of a year ago.

Whale oil has also had a strong and advancing market. In twelve months the price has about doubled, and, considering that about 250,000 tons of next season's Antarctic production is already sold, out of an estimated total production of 400,000 tons, the prospects are that the present price of £19 to £20 c.i.f. will be maintained in 1936.

BACON AND HAMS

The year was a disappointing one for the distributors of Canadian bacon and hams in Scotland. While it is true that the first few months of the year showed

fairly good arrivals of both bacon and hams, which were placed to the shippers' satisfaction, shipments thereafter fell off for two reasons: low prices in this market, and increased prices for hogs in the Canadian market. These factors combined produced a situation in which trading was difficult if the sole consideration were a profit on each shipment.

COMPETITIVE CONDITIONS

Deliveries of pigs to the curers were too irregular, and heavy supplies in certain seasons led to forced selling, especially by the new curers, which resulted in low prices here. This condition was accentuated by considerable arrivals of New Zealand and Australian frozen pigs, which were obtained very cheaply. In addition, Irish fresh and smoked hams, which always have a big sale in the Scottish market, were early in the autumn down to so low a price level that buyers' attention was almost confined to these and to home bacon. These conditions, which were without precedent for a long time back, were naturally a source of anxiety to importers.

At certain times when buyers here were showing interest in the Canadian product, the Canadian packers, presumably on account of the high prices of hogs, or higher prices in English markets, failed to maintain quantities in regular shipment. This always has the effect of turning attention to a competing product of which regular supplies are always available.

Recently the Irish market has advanced in price, and with a rise also in the price of gammons an improvement in the demand for the Canadian product may be reasonably anticipated, although trading is slow at present. The ten days' period prior to Christmas did, however, show the customary fillip to demand for most varieties of hog products.

HAMS

As far as can be ascertained, all shipments of Canadian hams have been of first-class quality, lean and highly satisfactory in outturn. They have been well handled, and superior to the American hams, which have previously held the market for so many years. It is necessary, however, once again to emphasize, so far as Canadian shipments are concerned, that regularity of supply is essential for successful trading in these products. Certain of the larger American packing houses make a practice of consigning to the United Kingdom with unfailing regularity, taking "the good with the bad." The point is that their brands are consistently on sale, and any unattractive prices that may require to be taken are compensated for by their regular arrivals getting the turn of the market from time to time. A good, well-known brand, always in supply, creates a demand which in itself enhances the price of that brand—a condition not enjoyed by a brand which is never on the market long enough to become properly known.

Imports of Bacon into Scotland from the Principal Sources of Supply

	1935 Cwts.	1934 Cwts.	1933 Cwts.
Total	169,507	219,872	275,804
Denmark	113,530	154,498	206,507
Netherlands	16,393	23,962	38,274
Canada	11,575	16,439	9,819
Irish Free State	24,935	18,262	11,389
Sweden	2,391	6,082	8,967

Imports of Hams into Scotland

	1935 Cwts.	1934 Cwts.	1933 Cwts.
Total	64,883	90,026	106,270
United States	57,357	78,370	90,511
Canada	4,847	9,077	10,749
Irish Free State	2,667	2,549	5,006

CHEESE

It has been a "vintage" year for Canadian cheese, particularly the June makes. When full-grass cheese was available, the price level appeared to be moderate. The course of events proved this to be the case, and they were profitably handled to the general satisfaction of all traders. The bonus offered to Canadian cheese-makers later in the year did not affect the September makes, as was at one time expected. They made considerably higher prices than those of May, June, and July, but the market moved in their favour, and at the present time they are good holdings.

Canadian cheese during the year represented the best value for a high-quality product; home cheese of high quality was in short supply throughout. There should be a good trade in 1936 for all Canadian makes; but the improved quality of home makes, particularly of Scottish, will certainly offer keener competition than in recent years. The trading agreement between Canada and the United States may mean that Scottish merchants will have to pay relatively higher prices, which in turn will restrict sales in this market. So long as Canadian quotations are higher than those of home or New Zealand, the demand will not be as in former years.

Imports of Cheese into Scotland from the Chief Sources of Supply

	1935 Cwts.	1934 Cwts.	1933 Cwts.
Total	144,151	150,520	177,663
New Zealand	81,893	97,963	120,685
Netherlands	16,662	11,814	11,902
Australia	6,761	117	457
Canada	36,849	39,231	44,042
Denmark	596	606	314
Irish Free State	1,032	329	3

DEVELOPMENTS IN SCOTTISH SHALEFIELDS

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, February 7, 1936.—During 1935 the position of the Scottish shale industry showed some improvement, and what may be described as important developments are now in progress at the various refineries and other works, which employ some 5,000 men in West Lothian.

It is not so long ago that this old industry was threatened with extinction, so that its present revival is due in an unusual degree to the tenacity of those associated with it.

The Scottish oil industry has had a long and interesting history, although it was not until about eighty years ago that the production of oil by distilling coal and shales was commercially practicable. The present output of shale, which is about 1,500,000 tons per annum, as against double that figure in 1913, is drawn from eleven shale mines, retorted in five crude-oil works, and the crude product refined in a central refinery at Pumpherston. In addition, there are two sulphuric acid works, one candle factory, and a coal mine.

RAW MATERIAL

The raw material of the shale oil industry is a mineral consisting essentially of hardened clay, rich in vegetable oil and animal remains. It contains no oil as such, but a material named "kerogen," which, heated to redness in the presence of steam, is decomposed and rearranged, yielding a variety of oils, wax, and ammonia. Under varied refining processes the finished products at present manufactured are: sulphate of ammonia; coke for the manufacture of

aluminium; motor spirit; solvent naphthas for the rubber, waterproofing, and linoleum industries; lamp oil; power oil for motor boats and tractors; light-house oils; and refined paraffin wax. This distinctively Scottish industry is the only source of shale oil in Great Britain, and represents three-fourths of the entire world's production from similar mineral sources.

The developments already mentioned consist of the erection of a new power station at the Addiewell refinery, the sinking of two new 600-foot shafts at Burngrange, and the manufacture of bricks from waste shale, which are claimed to withstand a crushing weight twice as great as the common brick. Other spent-shale products are in prospect for development.

This industry has lately eased the unemployment situation by the adoption of the spread-over system, by which the 1,000 men included in the scheme are given three weeks' work each month, in place of a smaller number employed on full time.

PRELIMINARY FIGURES OF THE SOUTH AFRICAN AGRICULTURAL CENSUS, 1933-34

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

(One morgen equals 2·2 acres)

Johannesburg, January 15, 1936.—The preliminary figures of the Agricultural Census, 1933-34, recently issued by the Office of Census and Statistics, provide interesting information regarding the relative importance of the principal field crops grown and live stock raised in the Union of South Africa and also as to the relative importance agriculturally of the four provinces of the Union. The figures given relate to all occupied farms and agricultural holdings in rural areas and include, in so far as urban areas are concerned, the returns relative to farms and holdings of one morgen or more in extent, the products of which are intended for sale for the period September, 1933, to August, 1934.

TOTAL OCCUPIED FARMS

During the period under review there was a total of 98,930 occupied farms in the Union with a total area of 97,352,709 morgen, or an average area of just under 1,000 morgen each. Of the total, 37,215 with an area of 59,265,450 morgen were in the Cape Province, 30,574 (18,734,005 morgen) in the Transvaal, 21,032 (14,069,305 morgen) in the Orange Free State, and 10,109 (5,283,949 morgen) in Natal. In round figures the average area per farm in the Cape was 1,600 morgen; in the Transvaal, 600; in the Orange Free State, 670; and in Natal, 530. The high average area in the Cape may be explained by the fact that the Union's sheep-raising industry is chiefly centred in that province, and principally in the great arid and semi-arid district known as the Karoo.

PRINCIPAL FIELD CROPS

In the following concise statement the areas reaped for the principal field crops by Europeans, and the total production thereof, are listed in order of importance on the basis of area reaped:—

Mealies (Corn).—Total, 2,793,803 morgen (24,118,990 bags, 200 pounds): Orange Free State, 1,231,383 (8,646,128); Transvaal, 1,155,843 (8,881,048); Cape, 213,200 (3,709,959); Natal, 193,377 (2,881,855).

This is one of the few crops in which native production is an important factor. Out of a total production of 24,118,990 bags of mealies, natives produced approximately 23 per cent—5,571,778 bags, to be exact, of which 1,882,886 were grown by natives working on European farms and 3,688,892 by natives in reserves.

Wheat.—Total, 560,278 morgen (3,447,488 bags, 200 pounds): Cape, 453,574 (3,064,324); Orange Free State, 61,627 (110,998); Transvaal, 44,345 (268,531); Natal, 732 (3,635).

Oats.—Total, 188,075 morgen (1,195,701 bags, 150 pounds, grain and 70,265 tons, 2,000 pounds, oat-hay): Cape, 154,114 (1,103,586 bags grain and 44,653 tons hay); Orange Free State, 19,583 (55,505 bags grain and 13,373 tons hay); Transvaal, 12,476 (33,668 bags grain and 9,325 tons hay); Natal, 1,902 (2,942 bags grain and 2,914 tons hay).

Kaffir Corn.—Total, 148,616 morgen (2,384,109 bags, 200 pounds): Transvaal, 100,509 (1,376,993); Orange Free State, 24,877 (251,241); Cape, 13,710 (351,054); Natal, 9,520 (404,821).

This is primarily a native crop. Of the total production of 2,384,109 bags, natives produced 1,712,818 bags or about 72 per cent, and of this 1,186,264 bags were produced by natives on reserves as against 526,554 bags by natives on European farms.

Lucerne.—Total, 82,961 morgen (production not stated): Cape, 69,992; Orange Free State, 8,204; Transvaal, 3,682; Natal, 1,083.

Rye.—Total, 46,937 morgen (211,960 bags, 200 pounds): Cape, 44,591 (206,577); Orange Free State, 1,210 (2,480); Transvaal, 788 (2,097); Natal, 348 (806).

Potatoes.—Total, 38,288 morgen (1,921,717 bags, 150 pounds): Transvaal, 13,462 (830,859); Cape, 12,073 (552,323); Orange Free State, 8,229 (251,035); Natal, 4,524 (287,500).

Barley.—Total, 29,345 morgen (352,379 bags, 150 pounds): Cape, 27,525 (336,590); Transvaal, 1,468 (14,468); Orange Free State, 290 (1,140); Natal, 62 (181).

Ground-nuts.—Total, 23,511 morgen (324,238 bags, 75 pounds): Transvaal, 20,951 (297,083); Natal, 1,772 (24,235); Orange Free State, 611 (1,582); Cape, 177 (1,338).

Tobacco.—Total, 11,446 morgen (13,998,359 pounds): Transvaal, 8,085 (9,477,033); Cape, 2,615 (3,753,493); Natal, 472 (517,578); Orange Free State, 274 (250,255).

Of the total area planted to and production of tobacco, 266 morgen, all in the Cape, were planted to Turkish tobacco, the production of which was 206,913 pounds.

LIVE STOCK

In the following paragraphs the principal varieties of live stock raised in the Union are listed in the order of their importance according to numbers:—

Sheep (including Lambs).—Total, 35,010,813: Cape, 20,841,993; Orange Free State, 7,635,916; Transvaal, 4,366,304; Natal, 2,166,600.

Of the total sheep in the Union, 4,753,916, or 13·6 per cent, were non-woolled and 30,256,897, or 86·4 per cent, merino and other woolled varieties. Owing to the fact that the distinction between merino and other woolled varieties is not available for the sheep owned by natives, it is not possible to state exactly the total number of merinos in the Union. However, out of a total of 27,362,113 woolled sheep owned by Europeans, 26,758,880 (97·8 per cent) were merinos and only 603,233 (2·2 per cent) other woolled varieties.

Natives are a factor of some importance in sheep raising, owning 3,522,054, or approximately 10 per cent, of the total sheep in the Union in the period under review. Of these, 627,070 (17·8 per cent) were non-woolled and 2,894,984 (82·2 per cent) woolled.

Cattle (including Calves).—Total, 9,986,630: Cape, 3,217,054; Transvaal, 2,985,769; Natal, 2,321,390; Orange Free State, 1,462,417.

Before the advent of the white man, cattle were to the native the most desirable, if not the only form of wealth. This belief still exists to a large extent, and of the total cattle in the Union at the time of this census, 4,776,833 (47·8 per cent) were owned by natives. In both the Cape Province and Natal the native-owned cattle outnumbered the European-owned cattle.

Goats (including Kids).—Total, 6,171,009: Cape, 4,055,846; Natal, 1,121,828; Transvaal, 927,584; Orange Free State, 65,751.

Of the total goats in the Union, 944,138 (15·3 per cent) were Angoras and 5,226,871 (84·7 per cent) other varieties. Probably on account of its well-known ability to forage for itself, the goat is a favourite animal with the native. Of the total of 6,171,009 goats, 3,437,665 (55·7 per cent) were owned by natives. Of these, however, only 107,700 (3·1 per cent) were Angoras.

Pigs (including Sucking Pigs).—The figures for pigs owned by natives in reserves are not available. The following figures therefore relate only to pigs owned by Europeans and natives on European farms:—Total, 517,105: Cape, 190,978; Transvaal, 183,716; Orange Free State, 88,052; Natal, 54,357.

In pig-raising, as in the other branches of live-stock raising, the native is an important factor. Of the total of 517,105 pigs on European farms, natives owned 108,606 (21 per cent), and if the total pig population of the Union had been available, the percentage owned by natives would undoubtedly have been considerably higher.

PASTORAL PRODUCTS

The following are the pastoral products produced in the Union in the period under review for which production figures are available:—

Farm Butter (European Production only).—Total, 11,958,763 pounds: Cape, 5,697,785; Transvaal, 2,373,802; Natal, 2,198,528; Orange Free State, 1,688,648.

Farm Cheese (European Production only).—Total, 399,148 pounds: Cape, 204,695; Transvaal, 90,456; Orange Free State, 66,213; Natal, 37,784.

Wool.—Total, 213,061,799 pounds: Cape, 113,139,744; Orange Free State, 64,427,585; Transvaal, 24,919,932; Natal, 10,574,538.

Of the total cut, 10,969,774 pounds (5·1 per cent) was produced by natives and 202,092,025 pounds (94·9 per cent) by Europeans. The European cut was obtained from 28,301,333 sheep and lambs shorn, an average of 7·14 pounds per head.

Mohair.—Total, 4,435,975 pounds: Cape, 4,301,032; Orange Free State, 100,230; Natal, 27,085; Transvaal, 7,628.

Of the total production of mohair, 255,077 pounds (5·8 per cent) was produced by natives and 4,180,898 pounds (94·2 per cent) by Europeans. The European cut was obtained from 983,734 Angora goats and kids shorn, an average of 4·25 pounds per head.

MR. COLE TO VISIT BERMUDA

Mr. D. S. Cole, Canadian Trade Commissioner at New York, will pay a visit to Hamilton, Bermuda, in the interest of Canadian export trade, from February 29 to March 14.

Canadian firms interested in trade with Bermuda may communicate with him in care of the Bermuda Trade Development Board, Hamilton, Bermuda.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, will arrive shortly in Canada and will begin his tour of the principal centres in the interest of Canadian trade with Belgium.

The first part of his itinerary is as follows:—

Halifax March 9
Saint John March 10

Ottawa March 16 and 17
Winnipeg. March 20

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Winnipeg, with the office of the Canadian Manufacturers Association, and for the other cities with the respective Board of Trade or Chamber of Commerce.

MEXICAN MARKET FOR CODFISH

M. B. PALMER, CANADIAN TRADE COMMISSIONER

(One kilo equals 2·2 pounds; 3·60 pesos equal U.S.\$1)

Mexico City, February 10, 1936.—The average annual consumption of codfish in Mexico in recent years may be placed roughly at 300 tons, entirely imported. Norway is by far the leading source of supply, and in increasing proportion. Imports of dried and salted codfish in 1934 totalled 320,514 kilos valued at 223,551 pesos (Norway, 192,895 kilos valued at 120,107 pesos; United States, 111,744 kilos valued at 88,687 pesos). In the January-to-October period of 1935 imports were 188,841 kilos valued at 122,624 pesos (Norway, 150,959 kilos valued at 90,019 pesos; United States, 30,702 kilos valued at 25,397 pesos).

TYPE AND PERIOD OF THE MARKET

High customs duties cause this trade to be placed in the luxury class. Codfish in Mexico is consumed for the most part by the foreign element (mainly Germans and Scandinavians). The trade is in the hands of Spanish resident firms. Mexicans generally eat local fish, of which there is a variety of both fresh- and salt-water types available at much lower prices. These are transported daily to Mexico City, the largest individual consuming centre. Codfish finds its market at the Christmas season and during Lent. Imports begin to arrive in November and are comparatively small during the summer and fall.

COMPETITION, QUALITY AND PACKING

Since the Norwegian product governs the market, it is this competition that Canadian exporters would require to meet. In 1935 several new Norwegian exporters entered the market, resulting in keener competition than ever, and at present the market is somewhat overstocked in spite of large sales during the season just passed.

The market has come to demand dried codfish (as against salted), split and headless, both boneless and with bones, the latter being the best seller because of the advantage in price, and of the three-size grades: small, medium, and large. The large size of from 20 to 26 inches, with a minimum width of 9 inches, is preferred; in fact, the larger the better. An important requirement is that the fish be white-naped. Packing is in wooden boxes, with quotations given on 18 kilos (40 pounds), 22 kilos (50 pounds), and 45 kilos (100 pounds) capacity. Actually, orders placed call for boneless fish packed in the 40-pound box and the fish with bones packed in the 100-pound size.

PRICES AND DUTY

As a result of the competition mentioned, the trend of prices has been downward. Prices are invariably quoted c.i.f. in United States currency, consular fees for buyer's account, on terms of cash against shipping documents. Norwegian codfish quotations at the close of the past year were: boneless, 40-pound boxes, \$3.40 per box; with bones, 100-pound boxes, \$6.70-\$6.85-\$7 per box c.i.f. Veracruz, Mexico, including commission. The duty on codfish entering Mexico is 0.40 peso per legal kilo, or approximately 5 cents per pound at the rate of 3.60 pesos equal \$1.

MARKET PROSPECTS

Efforts have been made to introduce Canadian codfish into Mexico, with small success. The main difficulty has been in regard to prices, which last year were about 10 per cent higher than Norwegian. In addition, it has apparently been impossible to obtain the white-naped variety.

The real objection is that of price. If Norwegian prices could be met there is every prospect of a business being established because of the time factor in delivery. An improvement in the grading, curing, and appearance, especially in regard to the nape, would constitute an added inducement.

METHOD OF SELLING

All sales are made through local agents representing exporters on a commission basis of 5 per cent. Retail dealers can be confined to the several firms in the leading cities of Mexico City, Monterrey, Guadalajara, and Veracruz. Shipments from Canada would be best routed via New York City and the Ward Line to Veracruz, Mexico.

SUMMARY OF THE TRADE OF CANADA: MONTH, TEN MONTHS, AND TWELVE MONTHS ENDING JANUARY, 1936

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of January, 1936				Ten Months ending January, 1936				Twelve Months ending January, 1936			
	From United Kingdom		From United States		From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	\$	\$	Total Imports	\$	\$	\$	Total Imports	\$	\$	\$
<i>Imports for consumption</i>												
Agricultural and Vegetable Products.....	6,202,690		1,032,067		2,198,539		93,685,046		15,374,407		24,970,285	
Animals and Animal Products.....	1,853,609		2,053,298		1,002,650		19,247,994		3,069,234		8,427,761	
Fibres, Textiles and Textile Products.....	8,402,333		3,541,031		3,591,577		72,016,205		32,573,722		26,090,027	
Wood, Wood Products and Paper.....	1,782,814		203,877		1,486,776		18,989,660		3,037,975		14,303,860	
Iron and its Products.....	9,087,698		896,069		7,967,062		93,892,588		18,545,601		70,670,748	
Non-Ferrous Metals and their Products.....	2,487,354		250,287		2,048,790		28,145,242		5,100,266		19,211,394	
Non-Metallic Minerals and their Products.....	6,719,542		454,816		5,405,790		90,701,021		11,884,598		68,856,359	
Chemicals and Allied Products.....	2,144,356		354,252		1,269,374		25,274,355		5,398,394		14,577,437	
Miscellaneous Commodities.....	1,909,910		323,272		1,344,412		26,428,401		5,371,808		16,607,499	
Total Imports, 1936.....	40,590,276		7,328,939		26,284,935		468,440,572		100,306,005		260,714,370	
1935.....	37,229,405		7,300,487		23,156,701		437,196,303		95,289,816		248,809,504	
1934.....	32,391,424		7,439,982		19,429,510		352,087,450		87,114,091		189,490,181	
<i>Exports (Canadian Produce)</i>												
Total Exports		\$	To United Kingdom		To United States		Total Exports		To United Kingdom		To United States	
1936.....		12,794,755	8,323,567		1,770,559		203,359,796		131,336,898		37,666,032	
1935.....		10,248,994	5,563,282		3,678,244		81,532,435		45,396,332		25,733,861	
1934.....		703,398	116,093		235,859		8,482,525		2,048,649		2,245,881	
Agricultural and Vegetable Products.....	12,361,602		1,729,533		8,869,219		151,825,707		24,724,285		104,515,874	
Animals and Animal Products.....	4,576,195		1,083,296		438,980		42,941,088		8,982,673		4,547,660	
Fibres, Textiles and Textile Products.....	8,993,360		4,350,626		3,078,889		106,047,817		47,956,844		34,790,727	
Wood, Wood Products and Paper.....	1,444,628		140,596		771,839		16,131,452		1,980,578		9,475,920	
Iron and its Products.....	1,435,960		191,471		668,023		12,942,738		2,581,792		5,746,905	
Non-Ferrous Metals and their Products.....	978,703		184,376		616,552		10,848,010		2,527,954		6,363,252	
Non-Metallic Minerals and their Products.....	53,537,595		21,682,840		20,129,564		634,111,568		267,536,005		231,086,162	
Chemicals and Allied Products.....	43,901,826		16,611,036		17,529,101		555,081,913		233,145,396		187,268,620	
Miscellaneous Commodities.....	46,652,017		17,633,890		18,316,627		483,863,021		191,277,804		159,851,192	
Totals, 1936.....	879,729		97,598		743,402		11,581,125		744,556		10,234,850	
1935.....	471,790		91,065		343,568		5,773,204		744,087		4,484,446	
1934.....	466,081		56,463		365,738		5,063,027		532,387		3,964,423	
<i>Exports (Foreign Produce)</i>												
Total Exports		\$	To United Kingdom		To United States		Total Exports		To United Kingdom		To United States	
1936.....		13,827,048	14,451,499		5,411,969		177,252,121		167,974,556		19,393,358	
1935.....		7,144,211	9,401,014		5,284,032		123,658,814		138,599,667		57,116,438	
1934.....		14,726,674	10,250,371		747,145		138,238,598		104,696,100		25,074,566	
<i>Excess of Imports (i) or All Exports (e)</i>												
Totals, 1936.....	(e)	13,827,048	(e)	14,451,499	(i)	5,411,969	(e)	177,252,121	(e)	167,974,556	(i)	19,393,358
1935.....	(e)	7,144,211	(e)	9,401,014	(i)	5,284,032	(e)	123,658,814	(e)	138,599,667	(i)	57,116,438
1934.....	(e)	14,726,674	(e)	10,250,371	(i)	747,145	(e)	138,238,598	(e)	104,696,100	(i)	25,074,566

ECONOMIC CONDITIONS IN THE UNITED STATES IN 1935

D. S. COLE, CANADIAN TRADE COMMISSIONER

II

COMMODITY PRICES

Commodity prices advanced further in 1935, continuing the upward trend which first became evident in the spring of 1933. Changes were less spectacular than during the two previous years. While a number of sensational price movements in individual commodities were witnessed, such as the recent collapse of silver, the movement of silk above the \$2 level and the rapid but short-lived bull market in china wood oil, most price changes came in slow and orderly fashion, reflecting steady improvement rather than temporary special influences.

The sound improvement of the commodity situation began in the latter part of June, about a month after the Supreme Court had invalidated the National Industrial Recovery Act. From January to June the commodity price level had shown remarkable stability, interrupted only in March when cotton broke through the 12-cent level. After a few weeks of hesitation, caused by uncertainties in regard to future agricultural prices, the general price level began to rise anew in the latter part of June, making considerable gain between that time and October. Since October the prices have fluctuated rather widely.

While the rise of agricultural prices was definitely checked in 1935, the group index figures indicate that most industrial commodities showed moderate gains, reflecting increased demand. Textiles, metals, chemicals, and paint materials profited particularly by the improvement of the automobile industry and the beginning of a revival in the building industries.

EMPLOYMENT

The general level of employment during 1935 was higher than in 1934 and 1933. As a result of the increase in the number of persons employed and in per capita earnings, labour income recorded a substantial gain. Slightly higher average wage rates, as well as the increase in hours worked per week, resulted in a gain in average weekly earnings. The gains in factory employment and pay rolls were widespread; sixty-nine of the 90 manufacturing industries surveyed showed increases in employment and a similar number showed gains in pay rolls. The more important gains in employment were in the automobile, blast furnaces, steel works, rolling mills, electrical machinery, foundry and machine shop, furniture, cotton goods, and woollen and worsted goods industries. Industries allied to building construction reported increased employment. The machine tool industry continued the steady expansion which it has shown for each month since October, 1934.

For the first eleven months of the year durable goods industries showed an increase of 7·6 per cent in employment and 19·5 per cent in pay rolls. The gains in non-durable manufacturing industries were 1 per cent and 7 per cent respectively. Employment in the non-manufacturing industries in 1935 did not show uniform improvement as it did in 1934. Employment in wholesale and retail trade was practically unchanged on the average in the first eleven months of 1935 as compared with the same period in 1934.

Gains in various industries during the year led to a substantial decline in the number of persons unemployed. However, at the end of the year the volume of unemployment was still so large as to constitute a major problem. The total number of unemployed workers in October, 1935, was 9,196,000, according to the regular monthly estimate of the National Industrial Conference Board. This is a decrease of 235,000 or 2·5 per cent from the preceding month and a decrease of 861,000 or 8·6 per cent from October, 1934.

At the time when the National Industrial Recovery Act was declared invalid in May, 1935, by the Supreme Court of the United States, a sharp fall in prices followed by a business slump was expected. However, a few weeks later business had adjusted itself, and from that time both employment and pay rolls increased.

The Federal "dole" was ended November 29, 1935. The Federal Emergency Relief Administration announced that the twenty-two states not already cut off from direct relief had received their last payments, and that the care of the unemployables had been formally turned back to the state and local governments. It was stated that the Federal Emergency Relief Administration had spent \$3,041,647,691 since May, 1933.

FINANCIAL SITUATION

The rapid accumulation of bank reserves overshadowed many significant banking developments in 1935. The year also witnessed the enactment of the Federal Banking Act of 1935, the virtual restoration of the American banking system to a net profit basis for the first time since 1931, and a general continuation of the 1934 trends in deposits and earning assets.

Total deposits are estimated to have increased \$4,000,000,000 compared with the \$7,000,000,000 expansion of the preceding year. There was a strong upward trend in inter-bank balances, reflecting the rising tide of idle bank funds. The holding of United States Government securities increased substantially, but were only about half of that of 1934. Total outstanding loans, however, showed but little change throughout the year, indicating an approximate balance between new loans and repayments and charge-offs of old loans.

BANK RESERVES

The year's phenomenal expansion of bank reserves, which carried the total from around \$4,000,000,000 in January to more than \$6,000,000,000 in December, paralleled and was largely caused by an unprecedented volume of gold imports. The heavy shipments of gold to the United States were generally believed to have been largely a result of a flight of "timid" capital to this country, stimulated by European war fears and recurrent anxiety over possible devaluation by the so-called "gold bloc" countries. In 1934 the stock of metal rose sharply following stabilization of the dollar at 59 cents, and in that twelve-month period the gold stocks expanded from \$4,012,000,000 to \$8,228,000,000. From the end of 1934 until the end of November, 1935, the gold figures increased to \$9,874,000,000. The monetary gold stock of the United States is more than twice the pre-devaluation peak of September, 1931, and approximately six times the pre-war total of July, 1914.

BANK EARNINGS

One of the unfavourable results of the present over-supply of easy money has been reduced bank earnings. While bank earnings have been curtailed by low interest rates on the one hand, and a subnormal demand for accommodation on the other, most of their ordinary operating expenses have remained at approximately the same level; the cost of deposit insurance, however, has added a fresh burden.

BANK FAILURES

Bank failures were fewer in 1935 than in any year since the World War. Among the factors accounting for this were the elimination of thousands of weak and uneconomic banks by the great depression, and improved public confidence in the safety of banks engendered by the existence of the Federal Deposit Insurance Corporation. The enactment of the Banking Act of 1935 was one of the most significant banking legislative developments in recent years.

NEW FINANCING

New financing for 1935 approached the \$4,000,000,000 level, according to the *Journal of Commerce* compilation. This was apart from United States Government financing. It represents an increase of well over 150 per cent from the \$1,517,000,000 total reported in 1934. Public utility financing amounted to \$1,115,897,310, and municipal financing to \$1,076,384,634. Industrial financing, which had been practically eliminated from the market through the depression years, showed a total of \$647,672,088 as against \$34,901,841 in 1934. Foreign financing amounted to \$78,450,000 as compared with \$10,000,000 in 1934.

SILVER PURCHASE ACT

On June 19, 1935, the President signed the so-called Silver Purchase Act in which the Treasury was committed to buy silver in the world markets until either silver reached \$1.29 an ounce or until the Treasury had acquired enough of the metal to represent 25 per cent of the total metallic monetary stocks of the United States. In endeavouring to accomplish this, the Treasury has run into two developments which have made this policy difficult, the first being the steady rise in the gold stock of this country. The Treasury has purchased more than 500,000,000 ounces of silver, and is still far from its goal of raising silver stocks to one-third of the gold stocks. The other development has been the abandonment of the silver standard by China, the world's largest buyer of silver. Thus China has become a seller of silver rather than a buyer.

EXPENDITURES AND RECEIPTS

The United States Government ended the first six months of its current fiscal year on December 31 with a deficit of \$1,879,651,193 compared with \$1,699,935,397 on the same date in 1934. Total expenditures for the six months were \$3,781,660,702 compared with \$3,545,017,914, and receipts \$1,902,009,509 as against \$1,485,082,517. The total gross public debt on December 31, 1935, was \$30,557,324,063, an increase of over \$2,000,000,000. The Treasury, however, had a cash balance of \$2,208,733,789, making the net debt \$28,348,590,274.

FOREIGN TRADE

United States foreign trade for 1935 will attain a value of \$4,300,000,000 compared with \$3,768,000,000 in 1934, based on the results of the first eleven months of this year. It is estimated that exports will reach \$2,300,000,000 and imports \$2,000,000,000. It seems certain that the 1935 foreign trade will show the smallest "favourable balance" since 1910, with the exception of 1932 and 1933. In these two years the net export balances were \$288,200,000 and \$225,400,000 respectively compared with \$188,000,000 in 1910.

The total United States exports for the first eleven months of 1935 amounted to \$2,058,446,000 as compared with \$1,962,146,000 for the corresponding period of 1934, an increase of \$96,300,000. The principal commodities exported which showed gains over 1934 exports were automobiles, including parts and accessories; industrial machinery; and machinery and vehicles. Lesser gains were recorded in chemicals and related products, miscellaneous goods, books and printed matter. Exports of wheat, lard, meat products, and cotton cloth, duck, and tire fabric registered declines.

The Department of Commerce report that imports for the January-November, 1935, period amounted to \$1,861,013,000 against \$1,522,797,000 in 1934, an increase of \$338,216,000 or 22 per cent. The favourable balance of trade for the first eleven months amounted to \$197,433,000 as against \$439,349,000 in the like period of 1934. Increases in the imports of the following commodities

were reported during 1935: vegetable food products and beverages, grain preparations, textiles fibres and manufactures, wool and mohair, wood and paper, and newsprint. Among the commodities showing decreases were beverages and unmanufactured cotton.

The United Kingdom is the best customer of the United States with 17·2 per cent of the total exports for the January-November period of 1935, followed by Canada with 15·2 per cent. Imports from Canada were 13·4 per cent of the total United States imports and were about 25 per cent greater than the value for the same period of 1934.

RAILWAY SITUATION AND CAR LOADINGS

The railroads of the United States enjoyed the best year since 1931. Railroad traffic, both freight and passenger, and net railway income were reported greater than in any of the three years immediately preceding.

Loading of revenue freight during 1935 totalled 31,518,372 cars compared with 30,845,960 cars in 1934, a gain of 2·2 per cent, and of 7·9 per cent over 1933. Measured in net ton miles, the volume of freight traffic handled was 310,000,000 net ton miles, an increase of 4·74 per cent over 1934 and of 13·49 per cent over 1933. Passenger traffic totalled 18,400,000,000 miles, an increase of 2·03 per cent.

Car loadings by commodities for the years 1935 and 1934 were as follows:—

	1935	1934
Miscellaneous freight	12,235,572	11,473,677
Merchandise, l.c.l.	8,121,743	8,241,390
Coal	6,147,373	6,135,428
Forest products	1,382,940	1,148,929
Ore	993,171	793,169
Coke	345,895	333,017
Grain and grain produce	1,577,155	1,645,893
Live stock	714,523	1,074,457

The Bureau of Railroad Economics estimates that, after fixed charges have been met, the railroads in 1935 will have a deficit of approximately \$15,000,000 as against \$16,887,000 in 1934.

The year 1935 has seen a continuation of increased efficiency in operation, all of which has brought about a still greater improvement in service to the public. Freight traffic is being moved to-day with greater speed than ever before. At the same time the average load of freight per train is also being increased. Improvements are also being made in the various mechanical facilities of the rail carriers. More streamlined motor trains were introduced in 1935, and this competition was met by the manufacturers of steam engines for railways with the introduction of streamlined engines.

BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States in 1935 amounted to \$297,177,288,516, a gain of 13·7 per cent over 1934, and the largest total for a twelvemonth period since 1931. While the increase marks a recovery of 23·7 per cent from 1933, the lowest year in clearings since the World War, the total was approximately 41 per cent of the record of \$727,848,371,330 established in 1929.

The expansion resulted from higher prices and increased production in all lines of industry. Increased trading in securities also accounted for a share of the larger bank exchanges.

According to the *Financial Chronicle*, the clearings in New York City were \$181,551,008,363, a gain of 12·4 per cent from 1934, and the largest for the metro-

politan area since 1931. Total cheque clearings for the country and for New York City from 1926 to 1935 were as follows:—

Year	United States	New York City
1935	\$297,177,288,516	\$181,551,008,363
1934	261,364,857,877	161,506,795,223
1933	241,454,844,300	157,413,993,751
1932	256,744,491,993	160,138,463,783
1931	410,338,166,564	263,270,393,958
1930	543,894,970,187	347,109,528,120
1929	727,848,371,330	447,242,282,161
1928	634,358,711,428	391,727,476,264
1927	558,109,742,076	321,234,213,662
1926	524,397,381,396	298,325,474,065

PAINT FACTORY ESTABLISHED IN SHANGHAI

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, January 23, 1936.—A new company, known as “The Orient Paint, Colour and Varnish Company, Limited,” organized, controlled, and managed by British interests, has started a large modern factory in Shanghai for the manufacture of all types of paints, colours, and varnishes.

The following is a list of the raw materials which it will use in appreciable quantities:—

Zinc oxide, genuine	Zinc, 5 per cent leaded
White lead, genuine	Lithopone, 30 per cent
Barytes, grey	Barytes, white
Blanc, fixe	Paris white
Titan white	Whiting
Red lead	Red oxide of iron
Natural earth colours	Aluminium powder
Bronze powder	Black, lamp
Black, carbon	Black, vegetable
Wax, paraffin	Lead, orange, genuine
Litharge, canary	Fuller's earth
China clay	Pure rabbit-skin glue
Verdigris	Chromium oxide (green)
Asbestos powder	Silica, fluffy
Linseed oil	Gums
Rosins	Pitches, oil

Although a number of these materials are obtainable very cheaply in China, it is understood that for all of them the company will be glad to consider offers from Canadian suppliers. Any firms therefore who may be interested should send full particulars of their products, with samples and price quotations c.i.f. Shanghai, to the Canadian Trade Commissioner at Shanghai for submission to the local company.

NEW DEPARTMENT STORE IN SHANGHAI

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, January 23, 1936.—Typical of the Westernization which continues in the commercial and economic life of China, another large Chinese department store was opened this month in Shanghai, known as the Sun Company (Shanghai) Limited. Like the three large stores of this type already operating here, it is owned by Chinese who began their business careers in Australia and the company is organized under British law. Built at a cost of Chinese \$3,000,000, the new store covers an acre of ground on Nanking Road, the leading business thoroughfare of the International Settlement. It has ten stories, and at its highest point rises 200 feet from the street level. Chinese

architects and building contractors designed it and carried out its construction, which was begun in November, 1934, and completed early in January, 1936. It is air-conditioned and is the first building in China to have electric escalators.

At present the store has 500 employees. An inspection of its departments indicated that goods manufactured in China hold a position much more prominent than was the case formerly in similar stores. However, a wide range of imported goods is also stocked. On this point the management intimated that in placing orders for foreign goods they preferred to deal with a local manufacturer's agent in a position to show them actual samples of what they were considering buying.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Increases Duty on Upholstery Materials

Under the Additional Import Duties (No. 2) Order, 1936, of the United Kingdom, the duty on upholstery, mattress, and similar stuffing material, whether new or old, and whether in rope form, teased, or in any other form, if consisting wholly or partly of artificially curled animal hair and if of a value not exceeding 68s. per cwt., is increased as from February 12 from 10 per cent ad valorem to an amount representing the difference between the value per cwt. of the goods and 75s.

(Goods of the kind in question which are Canadian products within the meaning of the Imperial preference regulations and which are consigned direct from Canada to the United Kingdom are guaranteed duty-free entry by the Canada-United Kingdom Trade Agreement of 1932.)

Proposed Revision of United Kingdom Tariff on Nails, Tacks, and Staples

The Import Duties Advisory Committee of the United Kingdom give notice of an application for an increase in the import duty on hob nails, boot and shoe studs and spikes, and on all other nails, tacks, and staples other than wire nails, tacks, and staples of round or oval section and insulated staples.

The tariff at present specifies a duty of 20 per cent ad valorem on nails (including hob nails), staples (other than insulated staples), tacks, and boot and shoe studs and spikes. The tariff is also 20 per cent ad valorem on insulated staples, but with provision for a minimum duty of 1s. per 1,000.

The foregoing, when Canadian products within the meaning of the Imperial preference regulations, and consigned direct from Canada to the United Kingdom, are granted duty-free entry by the terms of the Canada-United Kingdom Trade Agreement of 1932.

Irish Free State Quotas

With reference to the notice in *Commercial Intelligence Journal* No. 1663 (December 14, 1935), page 1,079, stating that an Irish Free State import quota of 100,000 articles had been fixed for rubber boots and shoes for the period January 1 to March 31, Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that on January 29 orders of the Executive Council removed rubber-soled shoes with uppers of canvas or rubber and with heels not less than one-quarter inch in height from the scope of this quota. A quota for these shoes of 140,000 articles has been fixed for the period March 2 to June 30. The import quota for all other rubber boots and shoes has been fixed at 390,000 articles for the period April 1 to June 30, 1936. Surgical and theatrical shoes are exempted from restrictions.

Import quotas for the period March 9 to June 30, 1936, have been fixed at 122,000 articles for household brushes, brooms, and mops, at 251,000 articles for those suitable for use on the human body, and at 181,000 articles for all other brushes, brooms, and mops completely manufactured.

Irish Free State Wheat Regulations

With reference to the notice in *Commercial Intelligence Journal* No. 1651 (September 21, 1935), page 502, stating that for the cereal year 1935-36 the percentage of home-grown wheat to be milled by holders of milling licences had been fixed at 25 per cent, Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Minister of Agriculture made an order, dated January 31, varying this percentage from 25 to 21·5 per cent for the remainder of the cereal year 1935-36. Supplies of native wheat are now tending to become low and this may compel the use of the smaller percentage before the new crop is available.

Irish Free State Export Bounties on Live Pigs

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Department of Agriculture has, as from February 10, reduced the export bounties from 33½ per cent to 25 per cent ad valorem on live pigs exported through Free State ports with quota certificates, and from 30 per cent to 20 per cent ad valorem when exported through Free State ports without quota certificates, or exported over the land frontier to Great Britain. The bounty on live pigs exported over the land frontier into Northern Ireland remains unchanged at 10 per cent ad valorem.

Tires to Accompany Unassembled Motor Vehicles for New Zealand

With reference to the notice in *Commercial Intelligence Journal* No. 1660 (November 23, 1935), page 944, to the effect that duty in New Zealand would be payable on the domestic value of an unassembled motor vehicle, including value of parts not imported with the vehicle except such parts as are manufactured in New Zealand, or which differ from equipment ordinarily supplied in the domestic market, Mr. C. M. Croft writes that under this ruling unassembled motor vehicles are to be accompanied by tires as from March 1, 1936.

Palestine Tariff Changes

Mr. Yves Lamontagne, Canadian Trade Commissioner at Cairo, reviewing tariff changes in Palestine, gazetted January 22, 1936, points out that the sliding scale of duties on wheat flour has been increased £½ per ton, so that the new duty on flour valued at £9 or more per ton is £3½ per ton. For each £¼ that the price of flour goes below £9 the duty is increased £¼, up to a maximum rate of £7 per ton.

Some other new duties (former rates in parentheses) are: silk and rayon dresses, 40 per cent ad valorem (20 per cent); other silk and rayon apparel, 30 per cent (20 per cent); rayon stockings, 25 mils, i.e. 12½ cents per pair (10 mils); lead and zinc ingots, free (5 mils per kg.); cast iron pipes, 3 mils per kg. (1 mil); bolts and nuts, 7½ mils per kg. (12 per cent); wire nails up to 1 inch, 7½ mils per kg. (5 mils); aluminium ware, 50 mils per kg. (30 mils); motor car batteries, 20 mils per kg. (12 per cent); electric torch batteries, dry, 45 mils per kg. (12 per cent); electric light fittings of metal, 25 per cent ad valorem (12 per cent); tables and chairs of iron or steel, 25 per cent ad valorem (15 per cent).

The Palestine £ (1,000 mils) equals the pound sterling, the mil consequently being worth about ½ cent Canadian.

Extension of Tariff Preference in Ceylon

With reference to a notice in *Commercial Intelligence Journal* No. 1520 (March 18, 1933), page 401, concerning a British preferential tariff adopted in Ceylon on January 31, 1933, for a period of three years, an announcement in the Ceylon Government Gazette of November 22, 1935, extends this tariff preference for a further six months. The Government notification of this preference, gazetted

January 31, 1933, stated that the preference should expire in three years from the date of its coming into operation unless previously amended or revoked, or unless its operation were extended beyond that period by a resolution of the State Council.

Danish Import Control Law Extended

J. A. MACDONALD, ACTING TRADE COMMISSIONER

Oslo, February 5, 1936.—The Danish import control system, which was first introduced on January 30, 1932, and which vested the control of all foreign exchange transactions and import trade in the National Bank during the year 1932, has since been renewed from year to year with minor modifications (see *Commercial Intelligence Journal* No. 1466, March 5, 1932, page 342; No. 1526, April 29, 1933, page 658; No. 1565, January 27, 1934, page 127; and No. 1618, February 2, 1935, page 168). The most important provision of this law has been the control of imports of a long list of articles by means of import licences issued by the Foreign Exchange Committee of the National Bank on application from the importer in each particular case.

On December 18, 1935, this law was again renewed, with modifications, the new law to remain in effect until the end of December, 1937. While the previous import control laws provided that the granting of import permits be based on 1931 imports, no importer to have his imports of any particular group of goods reduced below 45 per cent of his imports in 1931, the new law makes no provision for any such minimum percentage, import permits being granted at the discretion of the Foreign Exchange Committee to all firms acting as importers in 1934 or recognized as new importers in 1935. While previously import permits were granted for definite four-month periods, all permits are now to be valid for eight months from the date of issue. In addition to these amendments, the new law makes minor changes in the organization of the committees which act in an advisory and consultative capacity to the Foreign Exchange Committee of the National Bank, and additions are also made to the list of goods subject to import control, the only articles of possible interest to Canadian exporters, which are still exempt from these regulations, being wheat starch; maize starch; fruit juices; all kinds of cane and beet sugar, refined and unrefined; all kinds of syrup of cane and beet sugar, also when containing other kinds of sugar; honey combs; pressed asbestos sheets; magnesite; ores and minerals in their natural condition; raw metals in pigs, blocks and bars, etc. (with the exception of soldering tin), also metal waste; manufactures of carbon for technical use; books, price lists, catalogues and similar articles, provided that they are not printed in the Danish language and are imported for sale; hairpins, fancy pins, machine needles and similar needles, all kinds of knitting needles and crochet needles (including sewing needles); rulers and measuring tapes; asbestos yarn; sauces, pickles and chutney in hermetically sealed receptacles.

Transshipment at Hongkong for French Indo-China Permitted

Mr. J. P. Manion, Assistant Commercial Attaché in Paris, writes that a notice published in the *French Journal Officiel* of February 6, 1936, provides that Canadian goods which are accorded minimum or intermediate tariff rates in French Indo-China may now be transhipped at Hongkong without losing the benefit of the tariff reduction.

The conditions under which this privilege is granted are: (1) the shipments must be covered by a direct bill of lading from Canada to the port of destination in Indo-China; (2) the bill of lading must be visé by the French consular authority at the port of transshipment, who will attest that the merchandise transhipped has not been submitted to any transformation or manipulation of a nature which would cause loss of identity; and (3) the transport between the port of transshipment and the port in Indo-China must be made under the Canadian or French flag.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEBRUARY 24

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending February 24, 1936, with the official bank rate. Quotations for the week ending February 17, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 17	Nominal Quotations in Montreal Week ending Feb. 24	Official Bank Rate
Austria	Schilling	.1407	\$.1893	\$.1896	3½
Belgium	Belga	.1001	.1702	.1701	2
Bulgaria	Lev	.0072	.0128	.0130	6
Czechoslovakia	Krone	.0296	.0418	.0418	3
Denmark	Krone	.2680	.2226	.2227	3½
Finland	Markka	.0252	.0221	.0223	4
France	Franc	.0392	.0667	.0667	3½
Germany	Reichsmark	.2382	.4062	.4059	4
Great Britain	Pound	4.8666	4.9825	4.9912	2
Greece	Drachma	.0130	.0095	.0095	7
Holland	Guilder	.4020	.6850	.6857	2½
Hungary	Pengo	.1749	.2975	.2971	4
Italy	Lira	.0526	.0803	.0802	5
Jugo-Slavia	Dinar	.0176	.0232	.0230	5
Norway	Krone	.2680	.2505	.2507	3½
Portugal	Escudo	.0442	.0453	.0454	5
Roumania	Leu	.0060	.0078	.0076	4½
Spain	Peseta	.1930	.1382	.1381	5
Sweden	Krona	.2680	.2571	.2573	2½
Switzerland	Franc	.1930	.3303	.3300	2½
United States	Dollar	1.0000	.9987	.9987	1½
Poland	Zloty	.1122	.1908	.1908	5
Argentina	Peso (Paper)	.4245	.3322	.3326	—
Brazil	Milreis (Paper)	.1196	.0827	.0829	—
Chile	Peso	.1217	.0509	.0509	4½
Colombia	Peso	.9733	.5833	.5824	4
Mexico	Peso	.4985	.2774	.2774	4-5
Peru	Sol	.2800	.2485	.2485	6
Venezuela	Bolivar	.1930	.2697	.2587	—
Uruguay	Peso	1.0342	.8015	.8015	—
China (Shanghai)	Dollar	.....	.2988	.2991	—
Cuba	Peso	1.0000	.9980	.9980	—
Hongkong	Dollar	.....	.3279	.3273	—
India	Rupee	.3650	.3765	.3764	3
Japan	Yen	.4985	.2910	.2908	3.65
Java	Guilder	.4020	.6866	.6881	4
Siam	Baht (Tical)	.4424	.4570	.4575	—
Straits Settlements	Dollar	.5678	.5833	.5840	—
South Africa	Pound	4.8666	4.9750	4.9850	—
British Guiana	Dollar	1.0138	1.0375	1.0400	—
Jamaica	Pound	4.8666	4.9925	5.0025	—
Other British West Indies	Dollar	1.0138	1.0375	1.0400	—
Martinique	Franc	.0392	.0667	.0667	—
Guadeloupe	Franc	.0392	.0667	.0667	—
Australia	Pound	4.8666	3.9850	3.9925	—
Egypt	Pound (100 Piastres)	4.9431	5.1150	5.1137	—
New Zealand	Pound	4.8666	4.0175	4.0250	—
Argentina	Free	Free	.2747	.2752	—
Brazil	Free	Free	.0559	.0559	—
Chile	Free	Free	.0409	.0409	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Fluctuations on exchange markets were much narrower than usual during the third week of February. The pound sterling held steady at close to \$4.985, the French franc centred around 6.675 cents, and the discount on the United States dollar varied little from $\frac{1}{32}$ of 1 per cent. It was stated in financial circles that the Bank of France would discount sterling bills drawn on the £40,000,000 credit established in London in order to obviate the need of gold shipments from London to Paris.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Victoria, B.C.
Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Codfish.....	101	Panama, Republic of Panama.	Purchase.
Apples.....	102	Demerara, British Guiana.	Agency.
Fresh Vegetables, other than Potatoes and Onions.	103	Demerara, British Guiana.	Agency.
Packaged Biscuits (Assorted)....	104	Batavia, Java.....	Purchase and Agency.
Tomato Catsup in Bottles and Tins.	105	Batavia, Java.....	Purchase and Agency.
Mayonnaise.....	106	Batavia, Java.....	Purchase and Agency.
Miscellaneous—			
Soya Bean Meal and Cake.....	107	Bristol, England.....	Agency.
Oats.....	108	Demerara, British Guiana.	Agency.
Raw Skins and Furs including Silver Foxes.	109	Shanghai, China.....	Purchase.
Rubber Gloves, Surgeons'.....	110	Lima, Peru.....	Agency.
Wrapping Twine.....	111	Panama, Republic of Panama.	Purchase.
Wood-pulp.....	112	Shanghai, China.....	Agency.
Raw Materials for Paint Manu- facture.	113	Shanghai, China.....	Purchase.
Office Sundries.....	114	Havana, Cuba.....	Purchase.
Hickory Pick Handles (for ship- ment to South Africa).	115	Birmingham, England.....	On indent basis
Marble Slabs.....	116	Singapore, Straits Settle- ments.	Purchase and Agency.
Barbed Wire.....	117	Panama, Republic of Panama.	Purchase.
Steel Fire Doors.....	118	Batavia, Java.....	Purchase and Agency.
Iron Nickel Ore.....	119	Hamburg, Germany.....	Purchase.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To Liverpool.—Manchester Division, Manchester Line, March 2; Montclare, March 7; Duchess of York, March 15; Montcalm, March 21; Duchess of Bedford, March 29—all Canadian Pacific; Newfoundland, March 7; Incemore, March 28—both Furness Line, Andania, March 8; Antonia, March 22—both Cunard-White Star Line; Lehigh, Oriole Line, March 25.

To London.—Beaverburn, March 6; Beaverbrae, March 13; Beaverford, March 20; Beaverhill, March 27—all Canadian Pacific; Alaunia, March 7; Ascania, March 21; Aurania, March 28—all Cunard-White Star Line; Liberty, March 13; Waukegan, March 27—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Commerce, March 7; Manchester Port, March 14; Manchester Citizen, March 21; Manchester Brigade, March 28; Manchester Hero, April 3—all Manchester Line; Lehigh, Oriole Line, March 25.

To Aberdeen, Newcastle and Hull.—Kelso, March 11; Gitano, April 8—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Montreal City, March 3; Boston City, March 24—both Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnross, March 9; Cairnes (calls at Dundee), March 23; Cairnglen, April 4—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, March 16; Norwegian, April 13—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Airthria, March 2; Dakotian, March 16; Sulairia, March 30; Norwegian, April 13—all Donaldson-Atlantic Line.

To Antwerp.—Beaverburn, March 6; Beaverbrae, March 13—both Canadian Pacific.

To Hamburg.—Liberty, March 13; Waukegan, March 27—both American Hampton Roads (call at Hull and Leith); Beaverhill, Canadian Pacific, March 27.

To Copenhagen, Gothenburg and Baltic Ports.—Blankaholm, Swedish-America-Mexico Line, March 9; Pilsudski (does not call at Gothenburg), Gdynia-America Line, March 13; Drottningholm (does not call at Copenhagen), Swedish-America Line, March 23.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Furness-Red Cross Line, March 2; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., March 4; Newfoundland (does not call at St. Pierre), Furness Line, March 7; Magnhild, G. T. Shaw, March 7; Belle Isle, Newfoundland-Canada SS. Co., March 9.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, March 12; Lady Drake, March 26—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 9 and 30.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, March 5; Lady Rodney, March 19—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, March 11; Ba, March 25—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, March 7; Colborne, April 4—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Catheart, March 12; Cavalier, March 26—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Cingalese Prince, March 14; Javanese Prince, March 28—both Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Constructor, Canadian National, March 27.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Highlander, Canadian National, March 27.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, March.

From Saint John

To Liverpool.—Montclare, March 6; Duchess of York, March 14; Montcalm, March 20; Duchess of Bedford, March 28—all Canadian Pacific.

To London.—Beaverburn, March 5; Beaverbrae, March 12; Beaverford, March 19; Beaverhill, March 26; Beaverdale, April 2—all Canadian Pacific.

To Manchester.—Manchester Commerce, March 5; Manchester Port, March 12; Manchester Citizen, March 19; Manchester Brigade, March 26; Manchester Hero, April 1—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, March 14; Norwegian, April 11—both Donaldson and Dominion Lines.

To Glasgow.—Dakotian, March 14; Sulairia, March 28; Norwegian, April 11—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, March 7; Cairnesk (calls at Dundee), March 21; Cairnglen, April 4—all Cairn-Thomson Line.

To Dublin and Belfast.—Kenbane Head, March 17; Fanad Head, March 26—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Sonja, Canada-Mediterraneo Line, March 19.

To Antwerp and Havre.—Beaverburn, March 5; Beaverbrae, March 12—both Canadian Pacific (do not call at Havre); Grey County, March 18; Brant County (does not call at Antwerp), April 2; Hada County, April 11—all County Line.

To Rotterdam.—Alaska, March 7; Brant County, April 2—both County Line.

To Hamburg.—Beaverhill, Canadian Pacific, March 26.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, March 4; Lady Drake, March 18—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 3 and 24.

To Kingston and Jamaican Outports.—Tela, March 6; San Bruno, March 19—both United Fruit Line.

To Manila, Hongkong, Shanghai and Dalny.—City of Johannesburg, Canada-Far East Line, March 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—A steamer, Elder-Dempster Line, March.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—A steamer, Canada-India Service, March 14.

To Montevideo and Buenos Aires.—Adderstone (does not call at Montevideo), International Freighting Corp., March 17; Tacoma, Canada-South America Line, March 29.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, March 14; Heian Maru, April 4; Hikawa Maru, April 18—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls Honolulu), March 7; Empress of Russia (calls Nagasaki), March 21; Empress of Japan (calls Honolulu), April 4; Empress of Asia (calls Nagasaki), April 18—all Canadian Pacific; Talthybius, March 8; Tyndareus, April 5—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Kota Agoeng, March 31; Bintang, April 30—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, March 25; Niagara, April 22—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Bear, March 14; Golden Cloud, April 13—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Limerick, March 7; Cape Horn, April 6—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., March.

To London and Cardiff.—Bradglan, Reardon Smith Line, March 7.

To London, Liverpool and Rotterdam.—Lochmonar (calls at Glasgow and, if inducements offer, at Southampton), Holland-America Line, March 7.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—India, March 12; Canada, April 10—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., March.

To Scandinavian Ports.—Buenos Aires, March 10; Annie Johnson, March 20—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Empire Shipping Co., March 23.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Brynje, Canadian Transport Co., March 30.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Tabian, March 9; Silverwillow, April 6—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hardanger, March 17; Brandanger, April 16—both Empire Shipping Co.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

MISCELLANEOUS

- Annual Report of the Department of Trade and Commerce. (Price 25 cents.)
- Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)
- Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)
- Annual Report of the Weights and Measures Inspection Service. (Price 10 cents.)
- Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)
- List of Licensed Elevators, etc. (Price 50 cents.)
- Motion Pictures, Catalogue of. (Price 25 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

- Commercial Intelligence Journal Weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.
- Australian Market for Fish Products (1931).
- French-Canadian Homespun Industry.
- Greece as a Market (1931). (Price 25 cents.)
- Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
- Map of the World showing Trade Routes. (1930 Edition.)
- Markets of Central America (1929). (Price 25 cents.)
- Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
- Sweden as a Market for Canadian Products (1928). (Price 25 cents.)
- Switzerland as a Market (1929). (Price 25 cents.)
- Trade of the African Sub-Continent (1928). (Price 25 cents.)
- Trade Possibilities of the Baltic States (1929). (Price 25 cents.)
- Trading with Colombia and Venezuela (1928). (Price 25 cents.)
- Jugoslavia as a Market (1930). (Price 25 cents.)

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:

Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance; (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. McCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

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R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Beuvsplein 26B, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address Canadian.*

Norway

ACTING TRADE COMMISSIONER, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

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London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

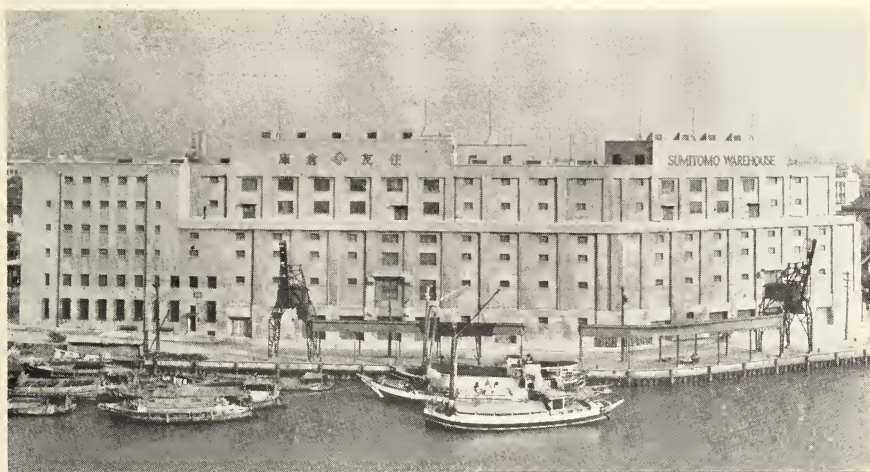
COMMERCIAL INTELLIGENCE JOURNAL

MAR 7 1936

Vol. LIV

Ottawa, March 7, 1936

No. 1675



Transporting Canadian Aluminium Ingots by Lighter at Osaka, Japan

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, March 7, 1936

No. 1675

INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1935 (Nos. 1640 to 1665 inclusive), is now printed and is being sent out to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

MR. FRASER'S FORTHCOMING VISIT TO THE BAHAMAS

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, will visit the Bahamas from March 19 to March 27. Canadian firms interested in that market may communicate with the Trade Commissioner in care of the Royal Bank of Canada, Nassau, Bahamas.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, will arrive shortly in Canada and will begin his tour of the principal centres in the interest of Canadian trade with Belgium.

The first part of his itinerary is as follows:—

Halifax March 9
Saint John March 10

Ottawa March 16 and 17
Winnipeg March 20

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Winnipeg, with the office of the Canadian Manufacturers Association, and for the other cities with the respective Board of Trade or Chamber of Commerce.

ECONOMY SURVEY OF SOUTH AFRICA, 1935

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, January 31, 1936.—It could have been little realized at the time South Africa left the gold standard that it would result in such a period of prosperity as has followed that event. Early in 1933, as a result of the premium on gold, economic conditions in South Africa began to improve, but during that year one of the greatest droughts the Union has known offset to a considerable extent the advantage derived from leaving the gold standard. With good crops in 1934, however, South Africa seemed to pass overnight from a period of depression into one of prosperity. This was continued into and through 1935, and shows no signs of declining—in fact, conditions are still improving. Each passing

month continues to establish records in one branch of industry or another. Building activity continues uninterruptedly, and unemployment decreases almost daily.

During the year climatic conditions have been satisfactory. There has been an absence of floods, and the locust menace is now completely under control. There has been a drought in a northern section of the country, but this is so localized, although extremely severe in that particular section, as to have little or no effect on the rest of the country.

Government revenue is being well maintained, and notwithstanding the lowering of customs duties and a reduction in several forms of taxation, revenue is approximately, as at December 31, equal to that as at December 31, 1934.

The index of electric current generated by the Union's principal undertakings in 1934 amounted to a daily average of 9,042,000 kw.h. This figure was a considerable increase over 1933. The increase continued during 1935, reaching by the end of October a daily average production of 10,524,000 kw.h., or an increase of 16 per cent over 1934.

Railway earnings continue to create records weekly, and from a heavy deficit a few years ago, the railways are reaching what might almost be termed an embarrassing surplus.

Motor car registrations, using 1928 as 1,000, show an increase in 1934 of 100 per cent over 1933, and while a similar increase in 1935 was not expected, the 1934 volume of sales was not only maintained but substantially increased, rising from an index figure of 1,232 in October, 1934, to 1,540 in October, 1935.

Gold production, while still below the peak year of 1932, owing to the mining of lower-grade ore, reached a figure of 10,776,684 ounces, an increase of 290,291 ounces over 1934.

IMPORTS AND EXPORTS

Imports and exports continued to rise to remarkable heights. Preliminary figures for imports place these at £75,131,881, an increase of approximately 14 per cent over 1934. Exports *without the gold premium* were valued at £73,624,838, an increase of approximately 21 per cent. When it is considered, however, that the gold premium on the 1935 gold shipments was valued at £28,624,483, total exports amount to over £102,000,000, leaving a favourable balance of trade of approximately £27,000,000. Of the increase in exports, gold bullion alone is responsible for over £8,000,000 without the premium, or 13 per cent out of the total increase of 21 per cent.

GOVERNMENT FINANCES

Present indications are that there will be another surplus for the fiscal year ending March, 1936. This surplus will probably be the smallest of the past three years, due to remission of taxation, but is very satisfactory when it is considered that a small deficit was budgeted for.

Government revenue for the fiscal year ending March, 1936, has been estimated at £36,404,000 as compared with actual revenue for the fiscal year ending March, 1935, of £38,605,039. There is every prospect, however, that revenue for the current year will again exceed the estimate and reach about the same figure as at March, 1935. Total revenue up to December 31, 1935, amounted to £25,928,095 as compared with £25,914,468 at December 31, 1934. So that although a lower revenue was budgeted for, the above figures indicate that actual receipts will about equal last year. If there had been no additional expenditure over what was provided for in the estimates, there should be a surplus of approximately £2,000,000.

Expenditure has been estimated at £36,832,197 for the year. Up to December 31, however, £27,285,409 has been spent, which is £871,000 greater than last year's expenditure at the same time, although revenue is running the same. If this rate of expenditure continues for the remaining three months of the present fiscal year, the net Government surplus will be reduced correspondingly.

The total debt of the country, including both funded and floating, at November 30 stood at £280,808,000 as compared with £277,182,000, an increase of £3,500,000, notwithstanding the fact that there has been a surplus on revenue account for the past two years.

BANKING

The South African Reserve Bank had an excellent year in 1935, one of the results of which was to bring the reserve fund up to £1,000,000, which is the maximum amount allowed. The net profit shown by the bank was considered very satisfactory, and after paying a 10 per cent dividend, the maximum allowed to stock-holders, a substantial payment was made to the Government. There is every indication that during the coming year an even larger amount will be turned over to the Government, thus making the Reserve Bank another source of revenue for the national treasury.

Notes in circulation as at the end of December, 1935, amounted to £14,555,000 as compared with £13,052,000 at the end of December, 1934, an increase of £1,500,000 in the twelve months.

Gold coin and bullion held by the Reserve Bank at the end of December had increased to £25,722,000 from £22,547,000 at the end of 1934. This increase in gold bullion is due to the policy of the Reserve Bank, early in the year, of retaining a larger portion of their purchases of locally produced gold rather than selling it overseas. Bankers' deposits increased to £27,268,000 from £20,132,000. The ratio of cash reserves to liabilities to the public stood at 55 per cent on January 8, 1936, as compared with 55.9 per cent on January 9, 1935.

Notwithstanding the enormous volume of imports, cash deposits in the commercial banks continue to increase. Demand deposits in the Union banks at November 30, 1934, amounted to £59,574,000, and time deposits to £23,810,000. On November 30, 1935, demand deposits had risen to £66,083,000, although time deposits had decreased to £20,757,000. A high percentage of this £66,000,000 stands in the books of the Reserve Bank. These funds yield no interest to the banks, nor have the depositors any return for their £66,000,000. The rate of interest by the banks on fixed deposit is approximately 2 per cent. An examination of statistics shows that the rise of demand deposits since the Union's departure from the gold standard can be attributed to the return of funds from abroad, to the decline of fixed deposits, and to the expansion of the mining industry, followed by an all-round improvement in business.

GOLD-MINING INDUSTRY

Statistics covering operations for the past twelve months reveal the marked expansion of the Union's gold mining industry during 1935. The tonnage milled, the value of the gold won, the working profit, and the total working cost are in each instance the highest on record, while an outstanding achievement for the industry, and one which testifies to the high degree of efficiency of the mines, is the fact that working costs per ton milled averaged for the year 18s. 11d. as compared with 19s. 3d. in 1934.

The year's production of the precious metal totalled 10,776,684 fine ounces as against 10,486,393 fine ounces in the previous year. The total number of tons milled was 44,598,050 compared with 40,055,750 in 1934. Working revenue totalled £74,790,876, or £3,145,270 more than in the previous twelve months. Working costs for the year amounted to £42,209,110 (£38,593,213 in 1934), while declared estimated working profit rose from £31,666,074 (15s. per ton) to £32,581,766 (14s. 7d. per ton).

The industry's peak figures of production were those of 1932, when the figure of 11,553,504 fine ounces was reached. With the reduction of grade due to lower pay limits, this fell to 11,017,495 fine ounces in 1933 and to 10,486,393 in 1934. Now, however, the industry is benefiting by the great expansion of milling, which

is compensating for the fall in grade. In this connection, it is interesting to note that in 1932, with average working costs at 19s. per ton, and with gold at the mint price of 85s. per fine ounce, an average recovery of 4·5 dwts. was required to break even. Now, however, with gold at its present price of 141s. per fine ounce, and with average working costs down to 18s. 11d. per ton, 4·7 dwts. (the average recovery per ton for 1935) yields about 34s. per ton. In other words, the higher price of gold has made payable large quantities of ore which before 1932 were uneconomic to work, and the life of the Rand has been correspondingly lengthened to the benefit of the country generally.

Similarly, the remarkable increase in the tonnage of ore dealt with, and the consistently high price realized for gold, have combined to make dividends declared for 1935 a record for the industry. These totalled £16,437,264 as compared with £15,878,498 in 1934. During 1935 the price realized for gold averaged 141s. 6d. per fine ounce as against 136s. 8d. in 1934 and 122s. 9d. in 1933.

It is anticipated that the current year will witness even greater expansion throughout the industry than did the year just ended. The present list of gold producers will be increased by a number of important additions, so that the total number of tons milled is expected to exceed the 50,000,000 mark, and the yield to come within sight of the spectacular level of 1,000,000 fine ounces a month.

AGRICULTURE

It is probably safe to say that no other country gives to its farming community the amount of sympathetic and practical support rendered by the Union Government to the agricultural industry in South Africa.

Cereals.—During 1935, as the result of favourable climatic conditions, South African agriculture on the whole must be considered to have had a good year. Drought conditions existed only in the northern part of the country, and did not affect the larger crop-producing areas. The locust problem was kept well under control, and did its most serious damage in the sugar-producing areas. The maize exports during 1935 were naturally considerably higher than those during 1934, when exports were affected by the drought of 1933. The domestic price of maize was also increased during the year, due to certain measures taken by the Government. For the first time in history there is an over-production of wheat, for which favourable climatic conditions during the latter part of 1935 is in no small part responsible.

Wool.—The production of wool during the 1934-35 season was 23 per cent less than in the previous year, amounting to 659,580 bales. The increase in price, however, was such as to enable the wool farmers to receive £1,500,000 more for their clip, plus carry-over, than in 1933-34.

Meat.—The market price for live stock and meat remained steady during the year. Retail prices for mutton averaged 9·7 pence per pound at Johannesburg, and 7·2 pence per pound for beef. The export of chilled and frozen meat continued to receive attention during the year, and while exports will continue to show an increase, it will be some time before it will be considered to be on a satisfactory basis as to amount and quality.

Dairy Products.—There are 58 registered creameries and 109 cheese factories in South Africa, whose production for 1935 both increased over 1934. In order to stimulate the internal consumption of milk and dairy products, the Government initiated a scheme for supplying these products at reduced prices to charitable institutions and schools, at a cost of £93,000.

Tobacco.—The general position of the tobacco industry was better during the year than for some time past. Surplus difficulties are being overcome and a more satisfactory arrangement made regarding imports from Southern Rhodesia. The crop amounted to 16,000,000 pounds as compared with 14,000,000 pounds in the previous year. The annual consumption is about 16,500,000 pounds,

Fruit.—A generally satisfactory level of prices was maintained with regard to the export of fresh and dried fruits. The orange industry unfortunately, however, obtained lower prices than during 1934. There was some complaint with respect to quality in deciduous fruit shipments, but as a result of these, improvements have been made and 1936 season shipments are well ahead of 1935, as production last year was larger than in 1934. Shipments of oranges from April to November amounted to 2,089,920 cases as compared with 2,286,295 cases for the same period in 1934. Shipments of dried fruit from January to November amounted to 12,389,575 pounds as compared with 13,951,243 pounds for the same period in 1934.

TRANSPORTATION

RAILWAY AND HARBOURS

The state-owned railway and harbours continue to record surpluses, and even the appropriation of large sums of money for special purposes fails to use up all the funds available.

Railway revenue for the first seven months of the present fiscal year (ending March 31, 1936) amounted to £18,773,025 as compared with £17,034,000 for the previous year. Expenditure amounts to £15,750,967, leaving a surplus of over £3,000,000 as compared with £2,000,000 for the same period last year. Even after making special appropriations of £1,500,000—appropriations that could not possibly have been made during periods of depression—a surplus of £1,683,000 for seven months ending October still remains. As an indication that there is no falling off in revenue, the railways report that although November earnings created a record, the weekly earnings on three consecutive occasions were broken during the month of December.

It is probably safe to say that the railway surplus by the end of the fiscal year will amount to £2,500,000, not including the large sums of money mentioned above placed aside out of revenue.

During the year steady progress was made with railway construction and harbour improvements. Practically all the ports in the Union have had substantial sums of money spent on them in improvements. Furthermore, many hundreds of miles of railway lines have been electrified and work is steadily proceeding on several hundred miles more.

AIR MAIL AND PASSENGER SERVICE

The weekly air mail and passenger service throughout the Union was also considerably increased throughout the year, which has resulted in a deficit under this heading double that of 1934. All the main cities in the Union are now served with an overseas mail service twice a week. In addition, Cape Town, Durban, and coast cities are connected with a bi-weekly service. It is proposed to commence in 1937 an entirely new air mail service to England with Durban as the base, using flying boats. It is hoped that the time occupied in transit between London and Durban will be reduced to four days. Branch services with land planes will connect with outlying centres.

It is now possible to send mail from South Africa to Canada at the rate of 12 cents per half ounce when the letters are so addressed as to indicate "Air Mail to England Only." Unfortunately Canadian exporters are not accorded this low air mail rate, and still have to pay 25 cents per half ounce.

ROAD-CONSTRUCTION PROGRAM

South Africa, while thoroughly well equipped with good roads in and around the towns and cities, it is still in need of what might be termed trunk or national roads. With this object in view a five-year road program is now under consideration, by means of which it is hoped that it will be possible to co-ordinate the

efforts of the various provinces under a national road scheme through financial assistance from the Federal Government.

MANUFACTURING

COMPANY REGISTRATIONS

The secondary industries of the Union continued to prosper during 1935. Factories already in existence worked most of the year to capacity and many new industries were started. Some 1,023 new companies were registered in the Union in the ten months ending October with an accredited capital of £10,500,000. The new mining companies registered form a comparatively small proportion of this total, 1934 having been the great mining year for the registering of new companies. The great majority are industrial and commercial concerns, in all parts of the country, with the Transvaal predominating. The Government continues to assist such industries in many ways by granting rebates of duties on raw material, and imposing dumping duties.

TARIFF COMMISSION

The Tariff Commission's report is now awaited to ascertain the views of the commission as to whether or not many of the present industries operating behind the tariff cannot be considered to be sufficiently well established to allow the duties to be reduced. They will, no doubt, recommend what industries should be further protected and encouraged, and what industries should no longer be afforded further protection.

NEW INDUSTRIES

The new plant of the Dunlop Rubber Company is now in full production. This factory also makes the Goodyear Tire Company's product. The Firestone Rubber Company have commenced building a plant in the Union, and the Goodrich Rubber Company is also contemplating building. It is difficult to see how all these rubber factories are going to be able to find a market for their output in a country with a white population of under 2,000,000.

A branch of a Canadian chain-making factory was opened in South Africa during the year and is doing well.

The motor car industry has been well employed during the year, although slackening off materially during the last few months. The same remarks apply to the furniture industry, which during November and December showed signs of slackening, although having had a full year up to that time.

The boot and shoe industry during the year was employed up to capacity.

STEEL INDUSTRY

The South African steel industry, as represented by Iscor, succeeded in having a number of dumping duties imposed on products it was manufacturing, affirming that it was not able to meet the European prices. Since the imposition of these dumping duties an agreement is now reported to have been reached between the European steel manufacturers and the Union steel interests, having as its object an all-round increase of prices on steel products in South Africa.

Iscor is making a profit, notwithstanding the fact that it is a new industry and handicapped by a new and untrained personnel. Probably not more than 10 per cent are experienced steel workers, the remaining 90 per cent being South African and completely new to steel-making. Most of the branches of the plant have been working to capacity to fill the great demand which exists in and around Johannesburg for steel products.

BUILDING ACTIVITY

For most of last year the value of the building plans passed did not exceed in any one month the peak figure reached in October, 1934, which was £1,400,000. However, in September of 1935 this record was broken, with plans passed valued at nearly £1,700,000 for that month. During the later months of the year there was again a slight decline. It is difficult, however, to judge building activity from the value of building plans passed because the plans passed for one exceptionally large building during the month would tend to increase the figures for that month in a disproportionate manner.

Most of this building during 1935, as in 1934, has taken place in and around the city of Johannesburg, but, as pointed out in last year's report, the prosperity of the Rand has spread more and more to the port cities, and there was greater activity in these than during 1934. The demand in Cape Town for timber and builders' supplies in December was better than at any time during the past three years. There would therefore seem to be no falling off in the activity of building trades, and the number of important plans recently passed for the erection or extension of warehouses, factories, hospitals, and apartment houses is indicative of further expansion.

LABOUR CONDITIONS

Notwithstanding the fact that South Africa is very prosperous at the present time, an "unemployed march" took place from Johannesburg to Pretoria. Their demand was chiefly for increased wages on Government relief works. The Government's attitude is that there is no need for any man to be out of employment in the Union to-day, if he is willing to accept unskilled work.

INDEX OF INDUSTRIAL EMPLOYMENT

The index of industrial employment, using 1925 as the basis of 1,000, stood at 986 in March, 1933. It is remarkable that every month since that date has shown a steady rise, reaching in October, 1935, the index figure of 1,312. This testifies not only to increased employment in the mines, but also to increased employment among all secondary industries in the Union. It reflects also the increase in employment in all skilled trades where, as a result of the tremendous building activity, there has been for some time a scarcity of labour.

There was some unrest among the garment workers during the year. In fact, the textile industry, small though it is, is one that probably provides more labour unrest than any other one industry. It consists of mixed labour.

The railway workers were granted certain concessions during the year. With improved conditions on the railways, and with the enormous profits that are being made, a huge reserve is being created so that in times of depression it will not again be necessary to reduce rates of pay, as this fund can be drawn on to keep up the wages of employees.

There has been a shortage for some time of skilled labour in the building trades, and this condition continues. Their wages are high, and building costs, as a result, are also high.

NATIVE LABOUR

Native labourers employed in the mines in the Union in 1925 averaged 307,000 per month. In 1934 this had increased to 416,000 per month, and by the end of October, 1935, a monthly average of 489,000 natives were employed in the mines. A large number of these natives are brought into the Union from Portuguese East Africa, and native labour and railway rates are two subjects closely inter-related in an agreement existing between the Union Government and the Government of Portuguese East Africa.

INDEX FIGURES OF EMPLOYMENT

Employment in industrial establishments using European labour at the end of October, 1935, stood at 134 per cent of July, 1925, as compared with 126 per

cent for October, 1934, or an increase of 8 per cent. Coloured workers stood at 95 per cent of July, 1925, an increase of 3 per cent over October, 1934. Native employment stood at 133 per cent of July, 1925, as compared with 118 per cent in October, 1934, or an increase of 15 per cent. Asiatic labour stood at 84 per cent in October, 1935, which is an increase of 4 per cent during the last twelve months.

These figures indicate that native employment kept pace with European employment during the last ten years, and showed its largest percentage increase during the last twelve months, where native employment increased 15 per cent throughout the Union as compared with European employment, which only increased 8 per cent.

INDEX OF PRICES

Based on 1910 equals 1,000

WHOLESALE PRICES

Wholesale prices in 1935, in nine out of eleven groups of commodities, declined from an average of 1,109 for 1934 to 1,080 in 1935, as shown in the following table. This is in complete contrast to 1934 over 1933, when there was an advance in seven out of eleven of the same groups of commodities.

Group	1932	1933	1934	1935	Inc. or Dec.
Metals	962	1,041	1,058	1,051	— 7
Jute, leather, hides and skins . . .	953	1,002	1,020	1,067	+ 47
Grains, meals, etc.	1,009	1,012	1,096	1,086	— 10
Dairy produce	893	974	1,213	831	—382
Groceries	1,024	1,053	1,007	993	— 14
Meat	906	960	1,213	1,145	— 68
Building materials	1,085	1,107	1,127	1,124	— 3
Chemicals	726	745	735	725	— 10
Fuel and light	1,003	953	930	932	+ 2
Soft goods	1,378	1,354	1,408	1,378	— 30
Miscellaneous	1,511	1,560	1,518	1,517	— 1
All groups	1,032	1,047	1,109	1,080	— 29
South African goods	952	972	1,058	1,031	— 27
Imported goods	1,197	1,201	1,225	1,170	— 55

The price of dairy produce fell owing to larger quantities of butter and cheese being kept in the country instead of being exported, while the lowering of the customs duty on tea and rice brought down the price of groceries. There will probably be a still further lowering of the index figures on imported goods in 1936.

RETAIL PRICES

A comparison of the following retail prices for a number of commodities in South Africa as compared with the United Kingdom and the British Dominions reveals that prices in South Africa by comparison are still very much higher in most items, notwithstanding the general fall in prices in South Africa last year. These figures are as supplied by the South African Bureau of Statistics.

Commodity	Unit	United Kingdom		Canada		New Zealand		Australia		South Africa	
		Nov., 1935		Sept., 1935		Sept., 1935		Sept., 1935		Nov., 1935	
		s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Bread . . . . .	..lb.	0	2.06	0	2.91	0	2.88	0	2.45	0	3.38
Flour . . . . .	..25-lb.	3	11.30	3	4.70	3	11.00	3	8.40	6	0.30
Wheat . . . . .	..100-lb.	5	6.10	6	2.20	8	8.20	6	3.00	10	0.30
Oatmeal . . . . .	..lb.	0	2.50	0	2.60	0	2.80	0	2.50	0	3.30
Rice . . . . .	..lb.	0	2.30	0	3.90	0	2.80	0	3.20	0	2.80
Sugar . . . . .	..lb.	0	2.25	0	3.16	0	3.00	0	4.00	0	3.44
Beef . . . . .	..lb.	0	8.50	0	9.20	0	6.70	0	8.80	0	7.30
Mutton . . . . .	..lb.	0	8.90	0	10.40	0	6.60	0	7.00	0	9.30
Bacon . . . . .	..lb.	1	2.30	1	3.70	1	2.30	1	2.40	1	7.20
Butter . . . . .	..lb.	1	3.40	0	11.70	1	2.80	1	5.10	1	5.30
Cheese . . . . .	..lb.	0	8.80	0	9.70	0	7.50	1	0.20	1	2.40
Milk, fresh . . . . .	..pint	0	3.38	0	2.49	0	2.38	0	3.38	0	3.04
Potatoes . . . . .	..lb.	0	0.90	0	0.80	0	1.30	0	1.80	0	1.40
Onions . . . . .	..lb.	.....		0	2.10	0	3.30	0	1.80	0	1.70

PROSPECTS FOR 1936

AGRICULTURE

Agricultural conditions throughout the Union are much brighter than they have been during the past two years, and the purchasing power of the average farmer is considerably increased. This, however, is not to be wondered at when it is considered that during recent years approximately £43,500,000 has been contributed by the Government for the relief of agriculture in one form or another.

The price of wool, which has been very low for the past two years, has stiffened considerably, and as this is the country's largest agricultural export commodity, the effect of higher returns for this product on the agricultural community cannot be ignored. The prospects for the 1935-36 crop are bright.

MANUFACTURING

Secondary industries may be expected to make still further progress during the coming year with, naturally, a correspondingly adverse effect on imports. Now that the steel industry has proven a success, it will only be a matter of a few years before additional metal-using industries become established in the Union.

One of the large firms manufacturing motor cars in the Union estimate their 1936 requirements of motor car parts for assembling at the same figure as for 1935. Total imports may possibly show an increase in value, but they have been so high in recent years that it is unlikely that they will show any further substantial increase.

The increasing tendency that has been noted for some time back for firms to purchase more and more through manufacturers' agents, rather than through the old wholesale firms, continues.

TRADE AGREEMENTS

In the course of the year agreements affecting trade were concluded with three countries: Germany, France, and Southern Rhodesia. Of the three, the German clearing agreement is probably the most valuable. The commodities to benefit under this agreement will be South African wool (to the extent of £2,200,000), ores, hides, skins, canning material, and fruits. The commercial agreement with France will be of assistance to the South African crayfish industry. The customs agreement with Southern Rhodesia will benefit the agricultural community; the Union's secondary industries will be adversely affected.

Canada's share of this market in 1935, when figures are available, will be found to have increased over 1934. The increase, as usual, will be spread over a large variety of items. Imports of lumber and lumber products will probably show a 100-per-cent increase over those of 1934. These are likely in the future to hold a larger place in the imports from the Dominion.

POPLAR FOR SOUTH AFRICAN MATCH FACTORIES

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, January 29, 1936.—There is a well-developed match manufacturing industry in the Union of South Africa. Unfortunately, as there are less than four companies engaged in the industry, the Union Office of Census and Statistics is not permitted to divulge any information regarding production, etc. Imports of matches, however, are negligible in value, amounting to a total of £1,659 for all sorts, wooden and wax, in 1934. During the same period, although exports of matches are not shown separately in Union statistics, from an examination of import figures for Southern Rhodesia and other British possessions contiguous

to South Africa, it appears that the Union exported matches to a value of roughly £20,000.

This industry is based primarily on imported wood. The matches are almost entirely of the type and size that would be regarded as smokers' matches in Canada. One of the smaller and more recently established factories makes its splints from pine blocks, but most South African matches are made from poplar by the veneer method. They are packed chiefly in boxes also made of poplar veneer, although recently one of the smaller concerns introduced a cardboard box.

Details of the total importation of poplar for match-making purposes are not available, but the following information supplied by the largest concern in the industry may be of interest. This firm imports annually between 8,000 and 10,000 tons of poplar, representing about 75 per cent of their consumption, the remaining 25 per cent being obtained from stands of a variety of poplar growing in the Union. The imported poplar comes at present chiefly from Northern Europe, particularly Finland, and is of the variety known as *Populus tremula*, which is very similar to the trembling aspen or *Populus tremuloides* of Canada.

SPECIFICATIONS AND PRICES, ETC.

The specifications of the logs most suitable for their requirements are from 12 to 18 inches diameter, and from 8 to 12 feet long. Under no conditions will they accept logs of less than 9 inches diameter and 4 feet in length. The logs are shipped in the bark and must be sound, green, and free of knots.

This particular concern has at present contracted for its supplies until early in 1937 at a price of 1s. 5½d. per cubic foot f.o.b. port of shipment, the cubic content of the log being estimated according to Hoppus' Book of Measurement.

The freight rate on poplar from the Northern European ports of shipment is 90s. per standard of 120 cubic feet, which amounts to 9d. per cubic foot, giving a c. and f. value of 2s. 2½d. per cube. Shipments are received at the Durban factory of this concern every two weeks, and at the Cape Town factory every month.

Poplar enters the Union of South Africa from Canada and the United Kingdom free of duty, and from other countries at 3 per cent ad valorem under item 279 (a) of the tariff.

The industry has recently evinced some interest in receiving quotations from Canada, and firms interested and willing to undergo the expense of sending out a trial shipment of a few logs should communicate with this office or the Canadian Trade Commissioner at Cape Town, supplying c.i.f. quotations and full details regarding the specifications and quantities that could be provided and the deliveries that could be made.

TRADE OF NEW ZEALAND, JANUARY TO SEPTEMBER, 1935

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

(Statistics are on the basis of New Zealand currency, and exclude specie movements, unless otherwise stated)

Auckland, New Zealand, January 23, 1936.—Export and import figures covering the trade of New Zealand show exports in values declared f.o.b. at New Zealand ports, and imports in current domestic values in the country of origin at time of exportation, plus 10 per cent, allowing approximately for ocean freight and similar costs of bringing merchandise to New Zealand and providing a figure suitable for comparing imports with exports. A summary of the commodity trade for the nine months ended September 30, 1935, shows exports of £35,893,000 and imports of £26,456,000, the excess of imports amounting to

£9,437,000. For the comparable period of 1934, exports were valued at £39,877,000 and imports at £22,409,000, so that the visible favourable balance of trade was then extraordinarily high at £17,468,000.

The fall of some £8,000,000 in the favourable balance in 1935 is explained by the much healthier import position, which shows an increase of £4,000,000; the other £4,000,000 was accounted for by decreases in exports, completely due to downward movements in the earlier months of the year, since exports in the third quarter of 1935 were relatively buoyant and exceeded the same three months of 1934. By reason of the seasonal nature of production in New Zealand, approximately two-thirds of the exports are made in the first six months of the calendar year. Imports are normally fairly evenly spread throughout the year, but in the third quarter of 1935 there has been a progressive increase for each month over the comparable month in the preceding year.

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EXPORTS

The exports for the nine months ended September, 1935, of £35,893,225 were, as already observed, smaller by £3,983,696 than in the first three quarters of 1934, when the exports were valued at £39,876,921. Exports to British countries amounted to £31,917,163, and to foreign countries to £3,976,062. This proportionate division of exports corresponds with that of other periods. The preponderant share of all exports is shipped to the United Kingdom; the total for the period under review was £29,697,363. Canada is credited with £551,964 and Australia with £1,364,630. Foreign countries which took to the value of over £100,000 were: Belgium, £605,073; France, £358,250; Germany, £135,257; Japan, £364,060; and the United States, £2,086,353.

With reference to the large shipments routed to the United Kingdom, investigation shows that some substantial proportion, perhaps of a value of £5,000,000 per annum, is re-exported to the Continent or elsewhere. This is exemplified in the case of the wool trade, where the ultimate destination is often unknown at time of shipment.

The major exports are derived from agricultural and pastoral production and include butter, cheese, meats, skins, hides, wool, and tallow. Grass seeds, fruit, and some softwood timbers are also exported to an appreciable value, as is also gold mined in New Zealand. Exports of some of the principal commodities are detailed in the following table, with comparative figures for the corresponding period of 1934:—

Principal Exports from New Zealand for the Nine Months ended September 30, 1935

	1935	1934
Total	£35,893,225	£39,876,921
Butter	8,501,564	7,352,849
Casein	106,357	106,253
Cheese	3,098,870	3,452,105
Beef	803,281	690,561
Lamb	7,389,503	7,204,036
Mutton	1,636,413	1,443,323
Pork	1,009,185	773,790
Sausage skins	738,381	587,638
Milk, dried	193,147	236,160
Apples	467,303	716,747
Hides, calf	112,699	102,576
Hides, cattle	326,850	358,269
Hides, rabbit	280,387	184,839
Hides, sheep, with wool	281,881	471,268
Hides, sheep, without wool	823,571	648,243
Wool	6,170,318	12,055,994
Seeds, grass	162,495	107,702
Tallow	524,314	388,012
Gold	1,091,937	959,000
Timber, sawn	280,370	213,527

BUTTER

The quantities of butter exported are supervised by a control board, and, at 1,906,265 cwts. (of 112 pounds) in the 1935 period, against 1,901,058 in 1934, closely correspond for the two periods under consideration. A substantial appreciation in value is noticeable. A constant endeavour is made to place butter on the principal market, the United Kingdom, in regularly scheduled quantities throughout the year, although of course the peak of production is compressed into a very few months. Butter production declined in 1934-35 by about 3 per cent. Cheese production has fallen off about 10 per cent in quantity, and this is reflected in the export statistics given above.

MEATS

Exports of meats are controlled by an export board, and are also subject to the quotas arranged with the Government of the United Kingdom. The quantities of beef and lamb shipments for the two periods shown, which are partially dependent on the quotas, closely conform, but again there is a constant endeavour to arrange continuity of supply and maintenance of quality, and to avoid flooding the virtually sole market outlet in the United Kingdom.

The development of chilled beef shipment, causing a potential demand for good breeding stock of beef cattle type, is being closely watched, and in some instances Canadian cattle of suitable characteristics have been imported for herd improvement.

A comparison of numbers of carcasses marketed with killings or with skins exported is not possible on the data at present available. Killings have, however, been on a large scale, which may eventually cause some falling off in herds or flocks.

A substantial increase in pork shipments is a development long advocated by responsible farmers, but the necessary stock did not exist, and hogs are by no means as frequently kept as one would expect in the dairying districts. Some of the best foundation stock is from Canada, and pig-raising is gradually taking the position it should fill in a balanced economy. The quantities of pork shipped represent a fourfold increase in exports of pork over those of four years ago.

MEAT BY-PRODUCTS

Attention is drawn to the large export of sausage casings, of which Canada is the destination of about 30 per cent. The prices of meats have been relatively steady with an upward trend, but from the prices shown for exports of by-products such as sheep skins, there was an apparent depreciation in their unit value compared with the preceding year. This is most clearly marked in the 50-per-cent fall shown in receipts for wool when it is mentioned that the volume in bales shipped had receded by less than 20 per cent (575,091 bales in the period of 1935 compared with 698,180 bales in 1934).

A sharp contrast is, however, likely to be provided in ensuing returns as wool and many other commodities have rapidly advanced in value, partly under the stimulus of potential requirements of these commodities for war purposes. There was, for instance, already an appreciable improvement in the tallow market, where the average price increased by about 40 per cent for the 1935 period over the 1934 period.

GOLD

The addition to the exports derived from gold mined in New Zealand is fairly substantial, and is a reflection of the efforts being made to increase gold production, to which the high prevailing gold prices lend every encouragement. Exports were 129,584 ounces against 118,838 ounces in the nine-month period of 1934.

TIMBER

Exports of timber are almost wholly to Australia, where there is a demand for New Zealand softwoods, and the fact that these New Zealand timbers are admitted to Australia free of duty creates an export market within easy range, at a time when domestic demand has been very low, because of lack of house building and development for some years. Activity in new building is already noticeable and is likely to affect the availability of New Zealand timber for export or to create a demand for imports to replace the exports. Canadian suppliers of lumber should hope to obtain a share in such business.

APPLES

Apple exports are mainly to Great Britain, though there is also a reciprocal trade in this commodity between New Zealand and Canada. Each country ships apples in season to the other, and as the seasons in the two countries are complementary, there is a fairly substantial movement at times.

EXPORTS TO CANADA

Special statistics have been prepared by the New Zealand Customs Department dealing with the trade between New Zealand and Canada for the nine months ended September 30, 1935. Exports to Canada from New Zealand were valued at £551,964, and formed 1.54 per cent of the total exports. The principal commodities making up the exports are set out in the following table:—

*Exports from New Zealand to Canada for the Nine Months ended
September 30, 1935*

	Quantity	Value
Butter	1,118 cwt.	£ 5,534
Casein	418 cwt.	885
Gelatine	5,600 lbs.	280
Beef, frozen	1,175 cwt.	1,625
Lamb, frozen	311 cwt.	871
Sausage casings	1,130,807 lbs.	221,583
Apples	1,895,080 lbs.	23,686
Calfskins	203,732 number	34,599
Cattle hides	54,624 number	38,732
Sheepskins with wool	992,396 lbs.	26,927
Sheepskins without wool	277,617 lbs.	9,920
Wool—		
Greasy	3,307,098 lbs.	87,732
Scoured	554,233 lbs.	25,206
Slipd	1,118,308 lbs.	41,135
Grass seeds	1,350 cwt.	8,397
Tallow	188 tons	5,207
Kauri gum	62 tons	1,658
Other items . . . . .	.....	15,278
Parcels post . . . . .	.....	617
Re-exports . . . . .	.....	2,092

Comparative figures for the corresponding period in the preceding year show the exports to Canada to have been £618,749, or 1.55 per cent of total exports. Details of the values of specific commodities shipped to Canada in the first three quarters of 1934 are not available, but would generally conform to the products exported and referred to in the above table.

NOTES ON THE EXPORTS TO CANADA

Butter exports to Canada (1,118 cwt.) are trifling in relation to New Zealand's total butter exports, or to Canada's total consumption. Casein shipments to Canada (418 cwt.) are likewise nominal in comparison to the volume shipped to the United Kingdom and Japan, but it gives evidence of demand in Canada for raw materials for certain manufacturers and is a relatively recent development in the list of commodities that Canada purchases in New Zealand.

The beef and lamb shipments (valued at £2,496), spread over nine months, would probably represent, like the butter, little more than requirements of Canadian or other interests for ship's stores.

Sausage casings (£221,583) represent the largest individual item in value and the trade is known to be a highly specialized one, in which Canadian firms have long been prominent operators. These sheep casings form one commodity abundantly produced in New Zealand, where the sheep population verges on 30,000,000 animals, and they are in demand in Canada, where the sheep population is only about one-tenth that of New Zealand. On the hand, New Zealand imports hog casings, as the domestic supply is at present insufficient.

Apples exported to Canada, valued at £23,686, form, as already indicated, a reciprocal trade. In the months of October and November, Canadian apples are shipped to New Zealand. The same remarks would apply to onions, which are probably an appreciable part of "other items" in the table.

Hides and skins (total value £110,178) represent a trade that supplies Canadian tanners and wool pullers with certain of their requirements. It is generally admitted that the careful take-off of skins in New Zealand leaves little to be desired, and the finished leathers made in Canada from New Zealand hides and skins are of a uniformly satisfactory quality. Some Canadian leather is imported into New Zealand.

Wool is produced in New Zealand to a volume of over 270,000,000 pounds annually, and is largely of the cross-bred variety. This is required in its various forms by Canadian mills, and the direct exports of New Zealand wool to Canada were valued at £154,073 in the nine months under review. It is believed that Canada is an additional consumer of New Zealand wool in forms making the origin not easily identifiable, such as in Bradford tops, imported from the United Kingdom. The movement noticeable in the wool auctions in New Zealand towards more direct purchasing of wool by Canadian interests is not without its effect on the general statistics, improving the balance between New Zealand exports to and imports from Canada.

Grass seeds (1,350 cwts.) form another item in which reciprocal trade occurs. Certain varieties of Canadian seed are sought for use in New Zealand in the same way as movements in the other direction.

Tallow (188 tons) is a commodity largely produced in New Zealand ancillary to the sheep industry.

Kauri gum to the value of £1,658 and in quantity 62 tons was shipped to Canada. This commodity is used in the production of high-class varnishes, and also in linoleum manufacture. Total exports to all countries of this essentially New Zealand product were 2,312 tons valued at £61,058.

The general trend of exports of New Zealand products to Canada has been rather static because of the similarity of some of the products of New Zealand available for export to those produced by Canada, but there is always the possibility of strengthening demand in Canada for various lines should Canadian production not be sufficient for domestic requirements.

LEATHER FOOTWEAR TRADE IN AUSTRALIA

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Melbourne, January 24, 1936.—The boot and shoe industry in Australia occupies an important position in the industrial life of the country. The most recent returns show that there are 308 shoe factories in the Commonwealth distinct from those devoted to repair and special order work, with some 15,000 employees; the value of the annual output is approximately £6,000,000. In view of the strength of the local industry, it will be readily realized that the requirements of the market are very largely met by local manufacturers, and any opportunity for oversea firms must lie in special lines from which it is difficult to

secure a satisfactory volume. Apart from rubber sand shoes and gum boots, Canadian footwear has never been prominent in the market, and the protection afforded the local industry through the customs tariff has not improved the prospects in recent years.

IMPORTS

The import statistics for the fiscal year ending June 30, 1935, which have just been released, show that leather boots and shoes for men totalling 9,797 pairs, valued at £6,468 sterling, were imported during the year, and the imports of leather shoes for women and children amounted to 47,589 pairs, valued at £24,325.

The United Kingdom is credited with supplying men's shoes to the value of £4,431 and of £4,012 in women's shoes; in the latter Switzerland and the United States are credited with £7,860 and £8,333 respectively. Of slippers, clogs, and other footwear, n.e.i., 115,684 pairs (£7,600) were imported; of this total, Japan supplied 71,914 pairs (£1,462) and the United Kingdom 10,535 pairs (£1,634). Ladies' evening footwear with textile uppers were imported to the extent of 4,959 pairs (£1,381), of which Czechoslovakia is credited with 3,260 pairs (£717). Goloshes, gum boots, and rubber sand shoes amounting to 7,324 pairs (£867) were imported. Slipper forms and piece-goods totalling £139,967 were imported, of which the United Kingdom is credited with £109,816.

EXPORTS

The local shoe manufacturers find a certain export market in the territories adjacent to Australia and for the fiscal year ending June 30, 1935, exports of boots, shoes, and slippers of leather totalling £48,568 (Australian currency) were recorded. Of this amount, £38,333 was credited to New Zealand, the remainder being exported in small quantities to the various Pacific islands and Netherlands East Indies. Rubber footwear to the value of £2,905 was exported during the same period, and exports of footwear n.e.i. amounted to £5,905, which completed the total exports of footwear from the Commonwealth.

The foregoing statistics, although not detailed, indicate the limited possibilities for oversea manufacturers, and although trading conditions throughout the Commonwealth have improved considerably in the past eighteen months, the opportunities for importations have not greatly increased. The 25½-per-cent exchange on London caused by the depreciation of the Australian £ affords additional protection to the local shoe industry, and has been of material assistance in placing their products on export parity, thus enabling them to attain some measure of success in nearby markets.

CUSTOMS DUTIES

The local shoe industry has developed under a high tariff protection which probably partially accounts for the strength of the local competition. The following schedule of tariff items relative to boots and shoes of all kinds, including gum boots and sand shoes, is submitted for reference purposes:—

Australian Duties on Boots and Shoes

	British Preferential	Intermediate Tariff	General Tariff
Slipper forms and piece-goods (except of felt) suitable for boots, shoes, and slippers, as prescribed by Departmental By-laws. ad val.	Free	....	15% (16½% net)
Goloshes, rubber sand boots and shoes and plim-solls per pair or ad val.	1s. 2d. 20%	2s. 2d. 37½% (41¼% net)	2s. 4d. 40% (44% net)
whichever rate returns the higher duty.			
And for each £1 by which the equivalent in Australian currency of £100 sterling is less than £125 at the date of exportation an additional duty of per pair or ad val.	.16d. .2%	.16d. .2%	.16d. .2%
whichever is applicable.			

Australian Duties on Boots and Shoes—Concluded

	British Preferential	Intermediate Tariff	General Tariff
Boots, shoes, slippers, clogs, pattens, and other footwear (of any material), n.e.i.; boot and shoe uppers and tops (except of felt); cork, leather, or other socks or soles n.e.i..ad val.	25% (27½% net)	55% (60½% net)	60% (66% net)
And for each £1 by which the equivalent in Australian currency of £100 sterling is less than £125 at the date of exportation an additional duty ofad val.	.4%	.4%	.4%
Boots, rubber, viz.:—Gum and wading boots			
per pair	1s.	....	3s. 6d.
and ad val.	20% (22% net)	....	37½% (41½% net)

As 10 per cent is added to the invoice value before the duties are computed thereon, the actual net duties are shown within parentheses. In addition, the foregoing items are subject to a primage duty of 5 per cent under the British preferential schedule and 10 per cent under the intermediate and general schedules.

Goods imported from Canada under items 327 and 329 are dutiable at the rates specified above in the British preferential schedule. Boots and shoes classified under items 328 and 330 when imported from Canada are dutiable as follows:—

Goloshes, rubber sand boots and shoes and plimsolls.per pair or ad val.	1s. 5d. 25% (27½% net)
Boots, rubber, viz.: gum and wading bootsper pair and ad val.	3s. 6d. 37½% (41½% net)

both items being subject to a primage duty of 10 per cent.

The intermediate tariff schedule is not operative in the Australian tariff at present and may be disregarded.

MARKET REQUIREMENTS

It is difficult to give a specific description of the actual requirements of the trade, in view of the great variety of styles and materials demanded by the Australian public, but it is safe to state that the local manufacturers have been forced through intense internal competition to offer excellent values in their footwear, and although certain refinements of style and workmanship usually found in English and American products are occasionally absent, the wearing qualities are sound; fine appearance is frequently a secondary consideration.

METHOD OF SALE

Shoes are retailed through the departmental stores in large quantities, and there are several important companies operating a group of retail shoe stores in the cities and country towns as well, where they sell shoes made in their own factories together with other lines purchased wholesale in large quantities at very low prices. The trend is therefore away from the small individual retailer to the large organizations with great buying power. Because of the importance of their contracts, manufacturers are prepared to accept business at a very small margin of profit. In this trade there is little room for the wholesaler as the contracts are placed direct with the manufacturer. One important buyer operating a large group of retail shoe stores stated that he considered the values obtainable now in Australian shoes, as against those offering prior to 1930, improved by from 30 to 40 per cent.

PRICES

The local manufacturers have been quick to follow the lead of American and English makers, both as regards style and manufacturing operations, and the

retail values obtainable are astonishingly low. Women's shoes of cheap calf or patent leather may be purchased retail as low as 10s. 9d. per pair, and 21s. is considered a fairly high price so far as the general trade is concerned. Children's shoes may be purchased retail as low as 2s. 11d.; and men's shoes, machine-sewn, range from 9s. 11d. upwards, and with welted soles from 12s. 9d. Men's fine shoes of stout workmanship and fair appearance can be purchased retail for 21s. For the purpose of approximate conversion, the Australian pound may be taken at \$4.

COMPETITION FOR HIGH-CLASS LINES

It is only in the exclusive section of the shoe trade that an oversea manufacturer has an opportunity of competing, and this business, although attractive if obtainable in fair volume, is keenly competed for, and it would be a matter of the greatest difficulty for a new firm to obtain anything like a profitable share of the limited trade available. That small section of the community which can afford to pay very high prices for imported shoes is usually prejudiced in favour of some particular oversea maker, and something unusually attractive in the way of style, quality, and price would have to be offered to be of interest.

This applies particularly to discriminating women buyers who prefer to pay high prices for imported day and evening footwear and slippers. A Canadian manufacturer of footwear contemplating this market must face the fact that he will be forced to compete against the leading American and British makers, conceding them the advantage of an established clientele in the Australian market from which at the most only a very limited business is possible.

For those manufacturers who are desirous of investigating the Australian market, it is felt that an excellent opportunity is presented when the buyers of the leading departmental stores in Australia make their periodical trips to America and in some cases to Canada. The large departmental stores in Sydney and Melbourne take a keen interest in oversea products of all kinds, and if there is an opportunity in the Australian market for any individual manufacturer it lies with the stores in question.

The Canadian Trade Commissioner's office, 25 Broadway, New York City, and the Department of Trade and Commerce, Ottawa, are in a position to advise as to how the Australian buyers may be approached and, failing that, the Melbourne office would be glad to receive samples and prices, etc., from any manufacturer who may require a specific report on the Australian market.

COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

New South Wales Wheat Standard

Sydney, January 30, 1936.—The standard of quality of New South Wales wheat this season is exceptionally high, and the best the state has ever produced. The f.a.q. standard has just been fixed by the Sydney Chamber of Commerce at 64 pounds per bushel. Last year's standard was 61½ pounds.

In the thirty-eight years in which the standard has been officially fixed, 64 pounds weight has only been equalled in 1913-14, but conditions were not comparable with those of to-day. The standard of the grain was based on a mixture of 300 representative samples taken from all over the wheat belt. It was bright and plump and outstanding for natural weight and cleanliness.

The weightings of the mixed samples of bulk grain averaged 64·7 pounds, and those of bagged wheat 64·4 pounds. Actually the f.a.q. standard might have been fixed at 64½ pounds, but a trading margin has been allowed.

Production of Hard White Wheat in New South Wales

Another stage in the development of the Australian wheat industry was reached last year by the New South Wales Department of Agriculture in arranging for the separate handling and marketing in bulk of a new commercial class of wheat which may be known as "New South Wales hard white."

It is expected that this new class will not only increase in quantity in future years, but that, with the future efforts of plant breeders, it will also improve considerably in quality. Despite the fact that the breeding of improved varieties is a task which takes many years to accomplish, it is claimed that very satisfactory progress has been made. The generally superior quality of this class of wheat is already well-known locally, and it is expected that it will almost immediately come into strong bidding overseas in those countries where the demand for stronger wheat from Australia has been increasingly evident in recent years.

Australian Butter Exports

According to figures supplied by the Department of Commerce, butter exports from Australia for the period from July 1 to December 31, 1935, totalled 47,062 tons as compared with 52,504 tons for the corresponding period of 1934. Exports from the various states were (those for the previous period in parentheses): New South Wales, 5,125 tons (10,179); Victoria, 25,698 tons (21,313); Queensland, 11,671 tons (17,867); South Australia, 2,648 tons (1,498); Western Australia, 849 tons (956); Tasmania, 1,071 tons (691).

Exports to countries other than the United Kingdom were 3,314 tons compared with 3,438 tons for the corresponding period of 1934.

Production of Osmiridium in Tasmania

Osmiridium probably possesses for Tasmania a lure far exceeding that of gold. It is reported to have been sold a few years ago up to £72 per ounce. To-day the demand has declined, but even with gold at a premium, the rare silvery metal is more than double the value of gold in Hobart. Tasmania is stated to be the world's greatest source of osmiridium—that is the "free" metal the average composition of which is about 40 per cent iridium, 16 per cent osmium, 10 per cent of other platinoid elements, and the balance iron, sulphur, and gold. Osmiridium is found only in the most inaccessible gorges of Tasmania, and is only won under the most exacting conditions. The mineral, although rare, is widely distributed through river silts and difficult to locate in payable quantities.

CONDITIONS IN THE SOUTH MIDLANDS AT THE END OF 1935

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 4, 1936.—At the end of 1935 the industrial outlook of the South Midlands was extremely bright. In comparison with other districts the Midlands occupy a most favourable position. The following percentages of unemployed insured workers in various cities and areas at the end of the year demonstrate this point in a remarkable way: United Kingdom, 13; Scotland, 22·4; Wales, 31; Warwickshire, 5·8; Birmingham, 5·5; Coventry, 5·4.

In many trades there is, and has been for months, a distinct scarcity of skilled labour. The advances in production recorded by such industries as the motor car, cycle, and the electrical (including the radio division) have been striking; but the advances are general, with the possible exception of some of the building and construction groups. In Coventry two new factories are being erected for the construction of aircraft, and two new aerodromes.

MOTOR CAR INDUSTRY

There has been little evidence of a seasonal slackening in output of motor car plants; in fact, the reverse is true of the majority. A year ago the Austin Motor Car Company, of Birmingham, was running at full capacity with 19,000 men. At the end of 1935, owing to added equipment and new buildings being available for an increased production, there were 23,000 men employed by this firm.

Australia recently amended the customs tariffs on English-built motor cars to provide a lower rate for cars shipped "knocked down." Already one Coventry firm has shipped its first lot of 100 automotive units "in pieces" to take advantage of the lower rate of duty.

RESEARCH ACTIVITIES

Many factors have contributed in recent years to a wider and more general use throughout the year of motor cars in this country. The demand for better equipment has made the work of the research activities of the Institution of Automobile Engineers assume such importance that larger laboratories have been erected, and the number of problems investigated with respect to the mechanical side of the industry increased from one four years ago to ten in 1935.

The work of the British Non-ferrous Metals Research Association was last year outstanding. This group has been able to investigate such matters as the production of aluminium castings free from pinholes, and the protection of magnesium from corrosion, in collaboration with the Royal Aircraft Establishment, Farnborough—a work so important in its application to the ultra-light alloys required by the aircraft industry. This association has also recognized the increasing demand for copper tubes and pipes in domestic water supply, and it has done useful work in solving, by the use of copper, some of the problems of the brass-founding industry. Recently the association issued specification No. 603, dealing with a ternary alloy of lead, developed for cable sheathing and possessing outstanding qualities of strength and of resistance to vibration and similar alternating stresses.

IRON AND STEEL

The state of the ferrous-metal-using trades of the Midlands can be appreciated by the significance of a report issued at the end of 1935 to the effect that additional pig-iron furnaces are ready to be kindled to meet the growing demand, but the scarcity, and current high prices, of coke stand in the way. This being the case, further reports of increasing costs of iron and steel production, and therefore higher prices, in the near future can be understood. Ore, scrap, and fuel prices have increased substantially, and those industries which made long-term coke contracts in 1935 are considered fortunate. Many important industries are offering to permit their contract prices of coal to be increased by one shilling per ton in order to facilitate the granting of a higher wage to coal miners.

During the closing quarter of 1935 the productive capacity of the British steel industry has been subject to severe tests. For some time the industry has been, in some lines at least, in a period of transition. The remarkable improvement in trade which the South of England has been enjoying resulted in a rapid expansion of demand. Replacements, especially semi-manufactured lines, which formerly were normally imported, have been difficult to obtain, and prices, based principally on the enhanced cost of raw materials, have shown a considerable advance. Those for heavy and constructional materials, on the other hand, remained practically unchanged throughout the year.

The solid-drawn seamless tube trade is very active and the chain trade also shows considerable activity. Nut and bolt manufacturers have well-filled order books, and motor car and railway work is plentiful, especially for chassis frames and wheels. The hollow-ware trade is better off than it has been since 1929.

BRITISH INDUSTRIES FAIR

Ordinarily many boroughs of the South Midlands have general publicity stands at the Birmingham Section of the British Industries Fair. This year the promoters are not meeting with much support from the local industries for whose benefit the stands were established. The failure of the trades to take space is explained by the fact that at least 95 per cent of the factories in the areas are already operating practically to the full extent of their capacity.

LEATHER MARKET IN 1935

Raw materials for the leather industry advanced in price as 1935 closed. Business in leather in the South Midlands and the West of England was consequently active with advancing prices. Practically all kinds and types of leather shared in the improving business and the outlook generally for 1936 is favourable. Some stocks are being absorbed with some rapidity, and as contracts expire, higher prices are expected to be paid as there is a considerable prospect of the leather market at least holding firm.

BOOT AND SHOE INDUSTRY

In the boot and shoe trades of the South Midlands and the West of England the last half of the year is generally the dull period, but in 1935 activity was well maintained. The marked tendency for leather prices to advance has not been without its effect on the prices of shoes; these have advanced on an average of one shilling a pair; and some manufacturers in the Northampton area have been unable to accept orders for the spring season. On the other hand, it is reported from Leicester that contracts for the spring are somewhat slow in reaching manufacturers, although advancing prices are the rule.

During the year under review the export demand for boots and shoes generally was unimproved.

KNITTING INDUSTRY

The spring trade of 1935 was unsatisfactory, and the turnover for the first half of the year was below that of 1934. However, the great improvement in domestic trade generally, aided by increasing expenditures on roads and railways, and by larger relief grants, so stimulated sales that sufficient trade was done in the second half to bring the total for the year at least to the level of 1934. The revival towards the end of the year was not attributable to a greater export demand, which continues to be unsatisfactory, but the domestic market is expected to be well maintained for several months to come.

ENGINEERING INDUSTRY

During 1935 there was a continuous activity in the engineering industry of the South Midlands. Almost every section shared in the improvement, which still continues. The interest in shoe machinery was well maintained, and knitting machine manufacturers have been working at high pressure. Manufacturers of machine tools benefited by the greater activity in the older domestic trades, as well as in the newer automotive and aircraft industries. The export trade improved. The volume of business which has been handled during 1935 has been so well maintained that the shortage of skilled men was persistently serious. This difficulty has not yet been overcome, but it has been mitigated to some extent by importation from less-favoured areas, and the Ministry of Labour Training Centres have been able to supply a number of trainees.

Finally, the electrical trades, with the manufacturers of radio accessories and specialties and the jewellery industry, are sharing in the new prosperity, the latter experiencing a gratifying quickening of activity. Birmingham during the past year has also been selected by certain American companies for the location of branch plants.

IMPORT TRADE OF BRISTOL IN 1935

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 4, 1936.—The trade of the port of Bristol in 1935 reflected the prosperity of the area it serves and in some directions at least new records were established. Trade was exceptionally good, and both the volume of imports and the number of vessels arriving from ports outside the United Kingdom reached new high levels. Trade with Canada was also larger than in 1934, owing principally to large grain shipments, the largest for many years.

The tonnage of ships arriving from abroad increased to 2,695,000 compared with 2,479,000 in 1934. The total number of ships which entered was 7,397 against 7,260 in 1934. During 1935, 51 vessels of 158,907 registered tons arrived from Canadian ports compared with 61 ships of 176,756 tons in 1934 and 72 ships in 1933.

The total imports into the docks operated by the Port of Bristol Authority in 1935 aggregated 2,624,000 tons compared with 2,381,000 tons which entered from abroad during 1934. Many classes of goods reached record levels. Included in this group were petroleum and petroleum spirit, imports of which amounted to 720,000 tons compared with 625,000 tons in 1934; feeding stuffs, imports of which increased from 139,207 tons to 146,998 tons; tobacco, from 26,000 tons to 31,000 tons; and ores, from 56,000 tons to 87,000 tons.

PROVISIONS

The great decline in the volume of provisions which passed through Bristol in 1935—31,000 tons compared with 40,000 tons in 1934—is indicative of the “switching” of the imports of these necessities to ports which are not only nearer to the larger centres of consumption, but which enjoy rapid communication facilities with the overseas centres of production.

In 1935 a special effort was made to develop a direct and regular service with Australia and New Zealand. It is reported that the first attempt has justified itself.

Butter.—Imports in 1935, none of which are credited to Canada, amounted to 8,540 tons against the 10,284 tons in 1934.

Cheese.—Imports in 1935 amounted to 8,682 tons, of which 2,107 tons, or 24·3 per cent, were of Canadian origin, compared with 9,919 tons in 1934, of which 2,943 tons, or 29·8 per cent, were Canadian.

Lard.—Imports dropped from 8,349 tons in 1934 to 1,682 tons in 1935. Of the 1935 imports, 450 tons came from Canada compared with 3,130 tons in 1934.

Bacon.—Imports in 1935 amounted to 291 tons compared with 377 tons in 1934. Canada was credited with 2 tons in 1935 compared with 24 tons in 1934.

TIMBER

The port of Bristol continues to occupy an important place in the timber trade. The volume of wood goods which passed through the port in 1935 amounted to 132,477 tons compared with 129,460 tons in 1934. Of the 1935 imports, 21,908 tons came from Canada compared with 18,789 tons in 1934, or 16·5 per cent compared with 14·5 per cent.

FRUIT

Fresh Fruit.—Bristol is an important distributing centre for fruit, particularly for tropical fruits, such as bananas and citrus fruits. Imports of bananas increased from 5,736,000 bunches to 5,966,000 bunches, while the imports of citrus fruits, although lower than in 1934, were 291,000 packages compared with 300,000 packages in 1934.

Apples.—There was a slight reduction in the volume of fresh apples which entered the port of Bristol in 1935, the total declining from 3,517 to 3,188 tons. Of the 1935 imports 2,030 tons, or 57 per cent, were credited to Canada, compared with 2,624 tons, or nearly 75 per cent, in 1934.

Dried Fruit.—Imports of dried fruit into the port of Bristol are increasing—5,144 tons compared with 4,859 tons in 1934. Canada's contribution amounted to 77 tons in 1935 against 12 tons for 1934.

CANNED GOODS

Canned fruit bulked large in the imports in 1935, and aggregated 8,656 tons, of which 192 tons came from Canada. The comparable figures for 1934 were 6,127 tons for total imports and 234 tons from Canada. Imports of canned fish amounted to 909 tons in 1935, of which 425 tons, or nearly 48 per cent, came from the Dominion. The 1934 imports aggregated 812 tons, of which 264 tons, or 32·5 per cent, were from Canada.

LEATHER

The quantity of leather imported through Bristol is by no means indicative of the importance of the leather-consuming industry, which should perhaps obtain its raw materials through this most convenient port. The imports of leather in 1935 only amounted to 79 tons, of which 27 tons came from Canada, compared with a total import during 1934 of 134 tons, of which 24 tons were Canadian.

TOBACCO

Bristol has long been famous in the tobacco trade. In recent years there has been an increasing tendency to route imports through this port. Statistics of the Port of Bristol Authority show that since 1932 the annual imports have been as follows: 1932, 21,057 tons; 1933, 26,365 tons; 1934, 26,214 tons; and 1935, 31,498 tons. Owing to the cessation some time ago of the practice of inserting coupons in cigarette packages, and with that the practical disappearance of a demand for low-priced tobacco to put in a special product, there has been a marked falling off in the interest in, and therefore the imports of, Canadian tobacco of the Virginia types. The imports of all Canadian tobaccos have therefore declined greatly, as far as Bristol is concerned, from 3,156 tons in 1933 to 479 tons in 1934 and to 60 tons in 1935. The tobacco which is still being imported is probably of the Burley type.

METALS

As usual, imports of iron and copper dominated the metal group of imports in 1935. Imports of iron, however, declined from 16,466 tons to 12,912 tons; those of Canadian origin from 1,960 tons to 1,671 tons. Copper imports fell from 20,572 tons to 17,446 tons. Canada continued to occupy the place of leading supplier with 14,119 tons, or 81 per cent, compared with 18,891 tons, or over 94 per cent, in 1934. As usual, practically all the spelter and nickel imported through Bristol in 1935 came from the Dominion. The imports of spelter increased from 2,000 to 3,249 tons, of which 1,900 tons in 1934, and 3,176 tons in 1935, came from Canada. Of the 1935 nickel imports of 1,425 tons, 1,264 tons came from Canada compared with 1,127 tons in 1934, of which 1,116 tons were from Canada. Im-

ports of lead showed a remarkable increase from 6,435 to 8,307 tons. Canada apparently did not ship any lead through Bristol in 1934; 60 tons were credited to the Dominion in 1935. Imports of aluminium into Bristol declined seriously during 1935, when imports aggregated only 529 tons compared with 1,865 tons in 1934. A large part of the aluminium is brought from Canada, the quantities being respectively 1,802 tons and 323 tons for 1934 and 1935.

WOOD-PULP AND PAPER

Imports of wood-pulp declined to 67,745 tons compared with 79,221 tons in 1934. The quantity credited to Canada dropped from 563 tons in 1934 to 83 tons in 1935. On the other hand, imports of paper through Bristol increased from 40,965 tons in 1934 to 43,006 tons in 1935. Imports from Canada totalled 2,986 tons compared with 2,473 tons in 1934.

Part of the renewed activity of the Bristol Channel ports has been due to the Merchant (Assistance) Shipping Act, which provides a subsidy to certain classes of shipping, but one feature of the trade of the ports which might specially be noted as having increased importantly is the coastal traffic, increases in which are largely due to the continuous work the Coastal Trade Development Council has carried out in sponsoring this adjunct to the mercantile marine.

CEREALS

[A report on the imports of grain into the port of Bristol will be published in next week's issue of the *Commercial Intelligence Journal*.]

MARKET FOR EPSOM AND GLAUBER'S SALTS IN THE BRITISH WEST INDIES AND BRITISH GUIANA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Port of Spain, February 21, 1936.—There are no separate statistics which list the imports of Epsom salts (magnesium sulphate) and Glauber's salts (sodium sulphate) into this territory. There is, however, a regular market for these products, and it is estimated that the annual imports of Epsom salts and Glauber's salts into Trinidad, Barbados, British Guiana, and the Leeward and Windward Islands would total 125 tons and 150 tons respectively.

Imports are made up largely of salts for pharmaceutical purposes, although there is a small demand for commercial grades which are used mainly for the germination of young sugar-cane plants, and also for live stock. The United Kingdom is at present the principal source of supply. Recent quotations submitted by Canadian exporters, however, have been competitive. Good-quality Epsom salts with fine needle-shaped crystals and Glauber's salts with pea crystals are demanded. It is necessary to meet the British Pharmacopoeia standards (1932) for pharmaceutical and commercial grades when used for human consumption.

DISTRIBUTION

The leading firms handling drugs generally order on a monthly basis direct from exporters; the average order would be for approximately one ton of Glauber's and one ton of Epsom salts. While this method is satisfactory from the importer's standpoint, the exporter would obtain wider distribution through resident agents working on a 10 per cent commission, provided they could quote competitive prices and still cover their agents. Agents should be in a position to group several orders and thus submit the lower quotations which are generally offered on shipments of five tons and over.

PACKING AND PRICES

Several packaged brands of Epsom salts from the United States and the United Kingdom are forwarded in $\frac{1}{4}$ - and $\frac{1}{2}$ -pound tins, and also in cardboard

cartons of the same size. This method of packing increases the cost; importers prefer to have salts packed in wooden drums, which they in turn package for consumers. The standard package used is a wooden drum weighing approximately 112 pounds. Several shipments packed in double jute bags—a method of packing which is somewhat cheaper than wooden drums—have been received from the United Kingdom, but they did not stand up satisfactorily in this climate.

Experiments are now being made with waterproof bags, and it is possible that this packing will be suitable. Epsom salts from the United Kingdom for pharmaceutical use are quoted at \$50.40 per ton of 2,240 pounds c.i.f. Port of Spain. The most recent quotation for Glauber's salts for pharmaceutical purposes was £10 5s. per ton c.i.f. Port of Spain. Commercial Glauber's salts for other than pharmaceutical use from the United Kingdom are being offered at £8 7s. 6d. c.i.f. Trinidad. A well-known packaged brand from the United States is sold at 18 cents retail per $\frac{1}{4}$ -pound tin.

Epsom and Glauber's salts when imported into Trinidad are subject to a duty of 10 per cent under the British preferential tariff and 20 per cent under the general tariff plus a surtax of 15 per cent of the duty charged. Salts of Canadian manufacture are accorded British preferential tariff rates. Canadian exporters in a position to supply good-quality salts and who can submit competitive quotations are advised to communicate with this office.

CANADIAN AUTOMOBILES IN CYPRUS

Mr. Yves Lamontagne, Canadian Trade Commissioner in Cairo, writes under date February 10, 1936, that, according to information just published in Cyprus, automobiles of Canadian manufacture lead in the colony. The total number of cars, including trucks, in Cyprus as at December 31, 1935, registered and licensed, was 2,313 compared with 2,146 in 1934. The number of Canadian cars registered and licensed as at that date was 1,211 compared with 1,162 in 1934; those of United Kingdom origin totalled 894 compared with 733 in 1934; those of United States origin, 103 compared with 155; and those of Italian origin, 93 compared with 89.

There was thus an increase of 167 in the total number of cars registered and licensed at the end of 1935 compared with the number at the close of 1934. During the year Canadian cars increased by 49 only, compared with 161 for the United Kingdom, while there were 51 cars fewer from the United States.

The increase in the number of cars of United Kingdom manufacture is accounted for chiefly by their lower gasoline consumption as compared with the larger Canadian and American types.

Canadian and United Kingdom cars enjoy a preferential rate of £10 for every £100 value as against the general rate of £30.

CURRENCY OF ZANZIBAR

Mr. G. R. Heasman, Canadian Trade Commissioner in Cape Town, writes under date February 3, 1936, that a decree of December 16, 1935, establishes the British East African shilling as the standard coin, which in turn is divided into 100 cents. Subsidiary coins established are 50 cents, 10 cents, 5 cents, and 1 cent.

With regard to any sum due to be paid after the coming into effect of the decree, which is payable in pounds or pounds sterling, the payment may be made in shillings at the rate of 20 shillings to the pound or pound sterling. Where any contract was made whereby payment was to be made in rupees, the substitution in shillings is at the rate of one and a half times the number of rupees.

ECONOMIC CONDITIONS IN THE NETHERLANDS IN 1935

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Rotterdam, February 13, 1936.—The year 1935 has not been a happy period for the Netherlands, and as 1936 commences there are few signs of impending improvement.

Conditions in this country are dependent to a high degree on external and geographical influences, over which the Dutch themselves have no control. One of the smallest states of Europe, the economy of the Netherlands is governed by its location at the centre of the continental land-mass, adjoining thickly settled and highly industrialized Germany and Belgium. This has given rise to an important entrepôt and transit trade, which is facilitated by the navigable inland waterways connecting Holland and the North Sea to Belgium, Germany, France, and Switzerland.

The ports of Rotterdam and Amsterdam are among the most important on the Continent, the former being the junction point of maritime commerce with that of the interior. It is the transshipping point for ore, coal, coke, grain, oil, cotton, and many other products. Three-quarters of the merchandise which under normal circumstances is transhipped in Rotterdam is consumed beyond the frontiers of the Netherlands.

NATURAL RESOURCES OF THE NETHERLANDS

The rich alluvial soil which covers over half the area of the Netherlands explains the country's exceptional fertility, and, intensively cultivated, it produces cereals, potatoes and other root crops, flower bulbs, and nursery stock. The greater part of the arable land is devoted, however, to the keeping of dairy cattle.

In the industrial field Holland is less generously endowed. There is a complete deficiency of raw materials and such assets as water-power, while the fuel supply is inadequate. Consequently Dutch manufacturing has tended to become specialized on a quality basis and consists of such branches as the production of incandescent lamps, radio equipment, ceramic ware, diamond cutting, and so on.

OVERSEAS POSSESSIONS

National economic activity is not, however, bounded by the physical limits and resources of the kingdom in Europe. Holland, which has itself an area of only about 12,650 square miles and a scant 8,000,000 inhabitants, is one of the world's leading colonial powers. It possesses in South America, the West Indies, and particularly the East Indies, an empire of approximately 772,800 square miles, with a population of about 60,000,000, the riches of which have only partially been exploited. The Indies are particularly advanced in the production of sugar, rubber, copra, kapok, tobacco, and vegetable oils. They also have important mineral resources such as oil, tin, manganese, and coal.

This overseas empire is the corner stone of a large part of the mother country's prosperity, and the low prices of rubber and other colonial products in the face of the world depression have been the cause of an unfavourable reaction in Amsterdam. In addition, the Netherlands proper as a trader and middleman has been particularly vulnerable to the effects of the crisis.

As a consequence the statements by leading officials on the economic situation which, as is usual, were published at the beginning of the new year, were couched in a pessimistic strain. The Government Statistical Bureau, in its review of conditions during the third quarter of 1935, had already deplored the decrease in purchasing power and the increase in unemployment, which latter had risen from 365,600 at the end of November, 1934, to 415,200 at the end of November, 1935, or about 5 per cent of the total population of the country.

UNFAVOURABLE AND FAVOURABLE FACTORS

In Holland the cost of living figure at 81·34 per cent of the 1929 level, compared with the wholesale index figure standing at 67·67 per cent, illustrates the widened gap between the two, which maintains wages at an inflated level and which has had and is still having an injurious effect on business in general. The industrialization of the country, which is a projected scheme to assist unemployment, can hardly be expected to provide a way out of this difficulty, since the deficiency of raw materials and the high wage level would always threaten the competitive position of the protected producers of manufactured goods.

An improvement has taken place on the stock exchange; but although the President of the Amsterdam Chamber of Commerce in his New Year's address made mention of the betterment in the price level index, which rose from 45·6 at the end of 1934 to 52·1 in November, 1935 (since then the curve has moved further upward), he was of the opinion that this development should not be regarded as having any noteworthy influence on the economic situation as a whole. This reservation may have been too general, for without doubt there is now more confidence in financial circles as a result of stiffening of prices on the stock exchange.

Christmas and New Year's business, while an incomplete basis on which to express an opinion, can, however, to a certain extent be used as a business barometer, and in 1935 it was appreciably better than in the previous year.

In spite of these few favourable factors the business situation in the Netherlands cannot be regarded as satisfactory. Foreign trade has undergone a further decline and the position of the country has been weakened by the means taken to combat the depression. The policy of aiding agriculture at the expense of the domestic consumer is becoming more and more a burden on production. Gains that may be made through high prices are lost because of the compulsory limitation of output.

Holland's position as a middleman, as already noted, has been adversely affected by the decline in German purchasing power through the "harbour nationalism" and the more intensive competition from Antwerp. By means of a more active foreign trade policy, the Government is endeavouring to find new export outlets. Progress in this respect has been slow, however, as traders and financial interests find it difficult to adapt themselves to new conditions.

On the issue market there was very little activity during the year. In 1934 conversions totalled fl. 2,058,000,000 and the new issues fl. 249,000,000. In 1935 these figures were only fl. 183,000,000 and fl. 67,500,000 respectively.

Because of the high wage level, it was not possible to fully capitalize on the revival in the diamond-cutting trade, which is an important branch of Netherlands industry. On the other hand, such competing countries as Belgium and Germany were able to considerably increase their turnover.

Perhaps the most favourable sign during the period has been the improvement in the prices of various colonial raw materials. These will result in better returns for the producers, but it must be taken into consideration that part of the increased profits will be absorbed by taxes in both the Indies and the Netherlands.

BUDGETARY POSITION

It will probably be very difficult both for Holland and her colonies to balance their budgets for the coming year or to even cover their cash requirements. As a result, increased taxation can hardly be avoided, despite the fact that in principle the Government is not in favour of raising this burden. An economy bill which was introduced in September was received critically and has had to be modified in some of its forms.

In addition, heavy taxes continue to threaten the stability of the currency. The increase in the prices of raw materials has resulted in silencing those who

believed the depreciation of the guilder was essential for the improvement of the situation in the Indies.

The strongest barrier between the present "manageable depression" and a panic resulting from a faulty financial policy is the opinion prevailing in all circles that neither depreciation nor artificially stimulated employment will lead to a betterment of the economic situation, but the return to more normal conditions must be entirely dependent on a general improvement in the international situation.

There are indications that this long-awaited movement may have begun, and if the Netherlands Government is concurrently able to balance its budget and to maintain the gold standard, the country should be able to pass through 1936 without extreme difficulty.

AGRICULTURE

Although manufacturing has made progress during recent years, the Netherlands is still fundamentally an agricultural rather than an industrial state. Climatic conditions during the 1935 season were on the whole favourable for farm production. There was a late and wet spring followed by a moderately warm and dry summer, which resulted in a fairly good cereal crop.

CROP CONDITIONS

The yield of wheat was of good milling quality and not below the average of the last ten years. Rye was adversely affected by the protracted drought and its condition was only fair compared with the last decade, when the average yield and quality were listed as good.

The harvesting of barley and oats was completed under favourable circumstances. The condition of these crops was fairly good, and the yield was only slightly smaller than the average during the period 1925-34.

Other crops such as pulses, roots, and seeds tended on the whole to be slightly below the past ten-year average. They varied from good to moderate.

The fruit crops were seriously affected by stormy weather in mid-September, as a result of which large quantities of apples and pears fell off the trees. Subsequently the fruit was severely damaged by hail. The yield of good-quality apples and pears was extremely small and much below average.

As regards vegetables, the position varied from moderate to fairly good.

GOVERNMENT ASSISTANCE

Mention has been made in previous reports appearing in the *Commercial Intelligence Journal* of various crisis measures which have been taken by the Netherlands Government to assist and protect domestic agriculture. The different measures of state aid referred to were for the most part continued during the year under review, although in some instances the amount of assistance has been reduced. The price guaranteed to the wheat growers, for instance, was lowered from fl. 10 to fl. 9 per 100 kilos, which is the approximate equivalent of a drop from \$1.85 to \$1.67 (current rate of exchange) per bushel.

In order to more efficiently co-operate with agriculture in all its branches, the Department of Economic Affairs, of which the Department of Agriculture was formerly a branch, was divided into two ministries, namely, the Ministry of Agriculture and Fisheries and the Ministry of Trade, Industry, and Shipping.

FINANCIAL RESULTS

Although the Netherlands monetary unit is still on the gold standard and consequently about 40 per cent above the dollar and pound level, the export prices quoted for a number of products, particularly butter and bacon, are low enough to be competitive with those of countries whose currencies are depreciated.

This is possible because exporters of these commodities are subsidized by the Government from a fund secured by the levying of an excise tax on the same products when sold for domestic consumption.

Despite this subsidization, however, exports of Netherlands agricultural, horticultural, and dairy products remain unsatisfactory as a result of protective duties, quotas, and payment restrictions imposed by the principal foreign consumers such as the United Kingdom, Germany, France, and Belgium.

Large quantities of horticultural products remained unsold. These included 3,771,000 kilos of tomatoes (6,048,000 kilos in 1934), 6,500,000 kilos of beans (approximately 500,000 kilos), and 21,959,000 cucumbers (4,235,000). The greater part of these unsold products was distributed among the unemployed in the larger cities.

It is hoped that a new trade agreement recently concluded between Germany and the Netherlands will have a favourable effect on agriculture by stimulating exports, although prices will be lower.

INDUSTRY

The industrial situation throughout the year has not been satisfactory, although some concerns producing for the home market have, by virtue of the protection received, been fairly well occupied. Late in November the Algemeene Kunstzijde Unie, one of the largest individual industries, announced an all-round wage reduction of from 10 to 15 per cent. In commenting on the situation which made this step necessary, the management stated that they regarded the outlook as so serious that it even imperilled the existence of the business. The unfavourable condition is reflected in the continued decline in the exports of artificial silk yarn, which was again noticeable in 1935.

Despite a drop in the value of exports of radio apparatus and incandescent lamps, Philips Gloeilampenfabriek—also one of Holland's leading industries—showed a profitable year. This was made possible by monopolistic control of the domestic market.

In the cotton manufacturing industry it was possible to increase the turnover owing to a slight decline in production costs and to restrictions placed on the importation into Netherlands India of competing products. The woollen industry was handicapped by a protracted strike which caused a loss of business, difficult in any case because of high production costs.

There was some activity in shipbuilding and repair work and operations were commenced on a new trans-Atlantic liner which will be a sister ship to the *Statendam*, the present flagship of the Holland-America Line fleet.

SHIPPING

There was a slight improvement noticeable in the Netherlands shipping industry. Freight rates were on a higher level, which is partly attributed to the Italo-Ethiopian conflict. The amount of tonnage unemployed at the end of the year was negligible, only four Netherlands vessels being laid up compared with fifty-eight ships measuring 299,000 tons on December 1, 1934. In this connection it should be stated, however, that a number of ships were sold to Russia, although, on the other hand, orders for new ships were also received from the latter country.

At the end of 1935 the total number of Netherlands sea-going steam and motor vessels measuring 100 gross register tons and more was 770, totalling 2,337,081 tons. The respective figures at the end of 1934 were 788 vessels and 2,436,990 tons.

Various measures were taken by the Government to assist domestic shipping. On November 1 the pilot dues were decreased by 11 per cent to meet increasing competition from Belgian ports as a result of the depreciation of the franc.

Secondly, a total credit of fl. 8,200,000, free of interest, was advanced by the state to various steamship companies. In addition, the Government has made funds available for the purchase of the necessary materials for the construction of the new Holland-America Line vessel, which will be of approximately 33,000 tons gross.

It may be generally stated that future prospects for shipping are somewhat more hopeful than they have been for the last few years, particularly in view of the recently concluded trade treaties with the United States and Germany, which are expected to have a favourable effect.

FISHERIES

The Netherlands fishing industry has been seriously affected by the depression years and the accompanying loss of export markets. Despite various measures taken by the Government to protect this branch of economy, results in 1935 remained unsatisfactory.

By a royal decree of January 16, 1935, quota restrictions were placed on fresh and pickled herrings imported from abroad or caught and landed from foreign fishing vessels. With the exception of the dried fish, all kinds of sea fish are now subject to import restrictions.

Total production of pickled herrings amounted to approximately 480,000 kegs and had a value of about fl. 4,350,000, or an average of fl. 9.06 per keg. Arrivals of fresh herrings aggregated approximately 7,182,300 kilos valued at about fl. 544,243.

During 1935, 118 trawlers made 2,661 trips and their catches yielded fl. 1,353,-341. In 1934, 107 trawlers made 2,267 trips, while their catches represented a value of fl. 1,406,552. The average earnings per trip were fl. 509 in 1935 and fl. 620 in 1934.

As regards oyster farming, an important branch of fishery in the province of Zealand, exports continued to decline.

MINING

Coal is the only mineral product mined in the Netherlands. The coal mines in this country are divided into three groups and are all situated in the Province of Limburg in the southeastern extremity of Holland, near the German frontier. First, there are the state mines, owned and operated by the Government; second, the "Dominiale Mijnen," which are also Government property but operated by private corporations; and third, two private companies.

During 1935 the total production of these mines was 11,877,834 tons, the lowest figure since 1929. In 1934 the production was 12,340,882 tons. Import and payment restrictions in the principal foreign markets, particularly Belgium and France, continued to be a serious handicap. The mild weather during the last few months of 1935 also unfavourably affected the output.

The total number of workmen employed on January 1, 1936, was 29,008 compared with approximately 30,000 on the same date a year ago.

RAILWAYS

Receipts from railroad traffic have shown a further decline. The total income for 1935 is estimated at fl. 100,193,210 as against fl. 112,381,595 in the preceding year.

AVIATION

Air navigation in the Netherlands is in the hands of one company, the Koninklijke Luchtvaart Maatschappij (Royal Dutch Airlines). Operations during the year under review were satisfactory and for the first time more than 100,000 passengers were carried.

As regards the European and inland lines, the number of passengers totalled approximately 95,997, while 1,540 people flew from Amsterdam to Batavia. In the Dutch West Indies 2,659 persons were carried, making a total of 100,196 as against 85,969 in 1934.

Despite increasing trade difficulties, the freight traffic showed a favourable development. The approximate quantity of merchandise transported in 1935 was 1,320,000 kilos as against 1,063,636 kilos in 1934.

As a result of the decision of the Netherlands postal authorities to send all letters by airmail in so far as this would save time compared with other means of transportation, the volume of letters sent by European air lines rose from 193,373 kilos in 1934 to about 320,000 in 1935, an increase of more than 65 per cent.

On June 12 the weekly service to the Netherlands East Indies was made bi-weekly. The weight of the letters carried to these colonies rose from 46,766 kilos in 1934 to 63,000 kilos in 1935 (increase 34.6 per cent); parcel post from 3,088 kilos to 3,500 (increase 13.3 per cent); merchandise from 18,217 kilos to 25,200 kilos (increase 38.3 per cent); the number of passengers carried from 878 to 1,540; while the number of passenger kilometres flown rose from 4,368,651 to 7,645,000, an increase of not less than 75 per cent.

UNEMPLOYMENT

Unemployment continues to be one of the most serious problems which the country has to face. At the close of the year the total number of unemployed registered with the public labour exchanges was 468,321 as against 408,811 at the end of December, 1934. It should be taken into consideration, however, that these figures also include the persons employed in public works undertaken by the Government and various municipalities to ease the position of the labour market.

The lowest level was reached in June, 1935, when the number of persons completely out of work totalled 333,580 compared with 291,913 in June of the preceding year.

The groups which registered the largest number of unemployed were the building and metal industries, transportation, fisheries and shipping, and factory labourers.

From the statistics of unemployment among trade union members, it appears that in November the percentage of those out of work was 32.4 as against 29.6 in November, 1934.

WHOLESALE PRICES

The wholesale price index showed a slight decline when 1935 was compared with 1934, although it still remains above the 1933 level. The Government Statistical Bureau has recently altered the basis on which this index figure is computed from 1913 to the average of the years 1926-30, which is fixed at 100. On this new basis the average general index figure for 1935 was 61.5 as against 63 for 1934.

The subjoined table shows the position of the principal commodities in 1934 and 1935:—

	1934	1935
	(Basis 1926-30=100)	
Vegetable foodstuffs	76.8	74.7
Animal foodstuffs	59.5	58.4
Lumber	50.0	39.3
Chemicals and chemical products	75.2	61.4
Textiles	42.1	42.2
Hides and leather	27.9	32.8
Metals and metal products	51.8	54.0
Paper	41.0	36.2
Raw materials for the manufacturing of foodstuffs	30.3	35.1
Finished products	68.4	66.6

COST OF LIVING

Despite the decrease in wholesale prices, the cost of living remains high in the Netherlands, due chiefly to various crisis measures such as import restrictions (which cause an artificial scarcity) and excise and monopoly taxes (which inflate costs). These latter are levied on such staple articles as bread, dairy products, edible oils, meat and meat products. The incidence of the turnover tax, which became effective at the beginning of 1934, also acted as a brake in the decline in living costs and caused the margin between these and wholesale prices to widen. Generally speaking, the cost of public utility products and services has not fallen since the beginning of the depression, while too large a proportion of the fall in the costs of other commodities has been swallowed up in increased taxes both direct and indirect.

BUDGET

The budget for the year 1936 estimates expenditures at fl. 710,944,662 and receipts at fl. 601,988,638, thus leaving a deficit of fl. 108,956,024.

This latter sum will be further increased to fl. 119,156,024 because of the Government's decision to continue temporary decreases which are now effective on the excise tax on wines, beer, and spirits, and also reduced pilotage dues.

The principal measure to bridge this gap has been the so-called "Economy Bill," which was introduced in June, 1935, with the object of effecting savings in various public expenditures amounting to fl. 76,900,000. The different items in connection with this piece of legislation have in the interval been approved.

The balance of the deficit is to be secured through a diversity of tax increases and in comparatively small amounts. These include a change in the system of administering the social insurance and a lowering of pension funds, which it is estimated will yield close to fl. 14,000,000. Additional revenue will be secured through changing the annual statutory salary increases of civil servants from a one-year to a two-year basis; a 20-per-cent surcharge on death and transfer duties; similar surcharges on stamp duties, registration duties, and on the dividend and bonus tax. In addition, a new form of taxation is included which will be levied on pleasure and business trips which extend beyond the frontiers of the Netherlands. It has been proposed to increase the turnover tax by 20 per cent, from which it was estimated that an income of fl. 12,000,000 would be derived. This met with such strong opposition, however, that it was withdrawn by the Minister of Finance.

NETHERLANDS BANK

The devaluation of the belga at the end of March marked the beginning of a new period of unrest as far as the guilder is concerned. The Netherlands monetary unit had to weather several attacks, and the alterations in the discount rate of the Netherlands Bank were more numerous than during any previous year. There were in all no less than fifteen changes, the high point being reached in late July and again in September, when it stood at 6 per cent. This manipulation of the discount rate again demonstrated its ability to act as a check on a drain of gold and in no case was it necessary to maintain a high rate for a long period.

At the beginning of 1935 the bank's gold stock stood at fl. 842,000,000. It reached its lowest point on September 30 with fl. 536,000,000. After this a return flow set in and at the end of the year the stock was valued at fl. 643,000,000, there thus having been a net loss of close to fl. 199,000,000. At the same time there was, however, a decline in the bank's liabilities as regards notes in circulation and balances in current account, which more than offset the gold loss and left the bank in a strong position. At the close of the period note circulation had a gold coverage of approximately 80 per cent.

ISSUE MARKET

The Amsterdam issue market was inactive during the year, which was partially due to instability of the money market. The total value of new issues stood at fl. 250,500,000. Of this sum fl. 183,000,000 was for conversions, thus leaving only fl. 67,500,000 as new capital. The foregoing figures are much smaller than those of the preceding twelve months, when new issues were valued at fl. 2,307,200,000, which included fl. 492,200,000 new capital. The 1934 figure was high on account of heavy Government conversions during that period, while in 1935 the high discount rate which prevailed during a large part of the period, coupled with lack of confidence, made the issuing of new securities an unattractive proposition.

STOCK MARKET

There was a fairly general stiffening of stock market prices during the year 1935, particularly as regards Netherlands East Indian companies, which was one of the brighter spots on the economic horizon. In some cases home industries also strengthened, as the following quotations, at the beginning and end of the period, for a number of the leading Dutch stocks will illustrate:—

	Jan. 2, 1935	Dec. 27, 1935
Royal Dutch Shell.. . . .	132½	211½
Unilever (margarine and soap).. . . .	73½	100½
Philips Glowlamp Works	220	228
A.K.U. (artificial silk)	30	25½
Handelsvereeniging Amsterdam (sugar and other colonial produce)	149	229½
Amsterdam Rubber Maatschappij	91½	106
Deli-Maatschappij (tobacco)	127	198

The decline in the share value of the A.K.U., which is the only one of the foregoing to register an actual retrogression, is indicative of the fall in exports and intensified competition on the home market. The increment in the value of the stock of colonial enterprises can be accounted for by an improvement in demand and prices.

GERMAN GRAIN SITUATION

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

Hamburg, February 17, 1936.—There were few developments of interest in the German grain market during the last quarter of 1935. Rigid governmental control of prices together with the maintenance of a thorough restriction of imports give small ground for hopes of an early return to normal conditions. There are given herewith, however, various statistical data illustrative of the current position and on which estimates as to future developments may be based.

GRAIN STOCKS

Official figures covering stocks of grain and flour in storage with mills and warehouses at the end of December, 1935, are shown below:—

Grain Stocks in Mills and Warehouses

	Domestic and Foreign Stocks—Duty Paid		Foreign Stocks Duty Unpaid	
	Dec., 1934	Dec., 1935	Dec., 1934	Dec., 1935
	Figures in 1,000 Metric Tons			
Wheat	1,680.1	1,243.7	29.5	4.1
Rye	1,230.9	1,106.7	14.0	1.6
Oats	75.2	173.9	10.8	1.7
Barley	232.4	148.3	11.5	0.9
Other flour	147.4	167.3	0.1	...
Rye flour	111.6	92.6	0.1	0.1

In addition to the above quantities, wheat and rye stocks in the hands of producers on the same date were estimated at 2,040,000 metric tons and 3,650,000 metric tons respectively. At the end of December, 1934, corresponding estimates of wheat and rye stocks in the hands of farmers were 1,830,000 and 3,380,000 metric tons. Total visible stocks of wheat at the end of the year 1935 were accordingly some 200,000 tons smaller than at the end of the year 1934, while stocks of rye showed an increase of about 100,000 tons over the same period. These totals show even greater alterations in comparison with figures for December, 1933, in that the reductions over the past two years, when foreign exchange restrictions have been most severe, have amounted to 500,000 and 200,000 metric tons in the case of wheat and rye respectively. In spite of these declines, however, German stocks of bread grains will be adequate for domestic consumption until the 1936 crop is available. The most serious decline in grain stocks is apparent in the case of oats, in which, in comparison with 1933, a shortage of about 1,200,000 tons is recorded. Barley and rye stocks for feeding purposes have also declined as result of decreased imports of other feedstuffs and consequent increased use of these domestic grains.

MILLING REQUIREMENTS

The quantities of bread grains milled during December amounted to 396,900 metric tons of wheat and 319,700 tons of rye. These figures represent considerable increases over the corresponding figures for December, 1934, of 320,000 tons of wheat and 247,000 tons of rye. In spite of these increases, the basic milling quotas allotted mills for December were not fully utilized owing to quiet conditions prevailing in the flour market. As result, milling quotas for wheat were reduced from 9 per cent in December to 6 per cent in February of the basic annual allotments. Rye quotas were similarly reduced from 12 to 7 per cent.

FLOUR CONSUMPTION

One of the leading milling journals has recently published some interesting figures in regard to flour consumption in Germany. Some of the data included in this survey are given below:—

German Flour Consumption

Year	Estimated Total Consumption			Estimated per Capita Consumption		
	Wheat Flour M. Tons	Rye Flour M. Tons	Wheat and Rye Flour M. Tons	Wheat Flour Lbs.	Rye Flour Lbs.	Wheat and Rye Flour Lbs.
1912-13	3,630,000	4,221,000	7,851,000	123.8	143.9	267.7
1924-25 to						
1928-29	3,345,000	3,499,000	6,884,000	115.8	121.2	236.9
1929-30 to						
1933-34	2,820,000	3,120,000	5,940,000	90.7	106.0	197.7
1933-34	2,600,000	3,000,000	5,600,000	88.0	99.6	187.6
1934-35	2,800,000	3,000,000	5,800,000	92.4	99.0	191.4

From the above figures it is apparent that some slight increase in flour consumption was recorded during the crop year 1934-35 as compared with the year 1933-34, although the previous five-year average was not equalled except in the case of wheat flour. This aspect of the situation may conceivably be attributed to the increased use of domestic flour for baking purposes as a result of the absence from the market of high-quality Canadian and other flours which were formerly used for blending and which enabled some economies in the utilization of domestic grades.

FOREIGN TRADE

Statistics of Germany's foreign trade in grains for the calendar year 1935 show marked changes from the previous year's figures. Imports of wheat and barley show heavy declines, while purchases of rye and oats (paid for through clearing agreements) increased considerably. As a result of the maintenance of an embargo on the export of grains until late in the year, export trade also declined perceptibly. The following table of comparative figures for the two years illustrates these developments:—

German Foreign Trade in Grains, 1934 and 1935

	Exports		Imports	
	1934	1935	1934	1935
	M. Tons	M. Tons	M. Tons	M. Tons
Wheat	185,821	13,119	646,961	158,893
Rye	107,272	36,666	52,684	219,799
Barley	78	75	552,018	158,436
Oats	22,153	107	46,836	180,571

As a result of governmental trade policies, returns for the last half of the past year show a surplus of wheat imports over exports of no more than 29,290 metric tons, in comparison with a figure of 197,760 tons for the corresponding period of 1934.

MARKET CONDITIONS

All feeding grains have lately been in heavy demand due to the scarcity of other feeding stuffs, including oilcake. Rye stocks are being liquidated satisfactorily in consequence of a recent encouraging increase in hog holdings. The situation in respect to grain for milling purposes has been less satisfactory. The demand for wheat on the part of millers has been unusually quiet owing to unfavourable conditions in the flour market. Stocks of flour are reported to be very heavy, and milling quotas will apparently not be fully utilized for a considerable time.

IMPORT SITUATION

There was no indication during the last quarter of 1935 that the close control exercised over grain imports into Germany would be relaxed. Payment for purchases abroad can still be effected only through official clearing agreements or private barter arrangements, and the source of such quantities as are required is accordingly determined by this consideration. There is some evidence, however, of willingness on the part of the authorities to permit wheat imports from "non-clearing" countries for processing and re-export under strict supervision and in accordance with special payment conditions.

PURCHASES OF CANADIAN WHEAT

Total imports of Canadian wheat into Germany in 1935 were 8,620 metric tons, whereas in 1934 similar purchases amounted to 433,930 metric tons. Towards the end of the year small quantities of Canadian wheat were again reported to have been imported for milling purposes. Permission to import such wheat, however, has been contingent on the export of flour as well as on special payment arrangements made by the firms concerned involving minimum outlays of foreign exchange in the completion of such transactions. Permits to import further quantities of Canadian wheat may still be granted to German importers in a position to transact such business, and under these conditions some recovery in wheat sales to Germany may be attained. It must be noted in this regard, however, that the prerequisite to the trade is the export of flour, and that this competition may conceivably nullify the value of the wheat shipments concerned.

CANADIAN TRADE WITH CZECHOSLOVAKIA, 1935

PAUL SYKES, CANADIAN TRADE COMMISSIONER

[One Czechoslovakian crown (kc.) is approximately equal to Can.\$0.04]

Hamburg, February 19, 1936.—Preliminary figures of Czechoslovakia's foreign trade during the calendar year 1935 have just been received. The following report presents a brief analysis of these data, prefaced by a general review of business conditions in this country during the past year.

As a country which has long been dependent on export trade in manufactured goods, Czechoslovakia has suffered severely from depressed conditions in the principal European markets. To overcome declining demand, resort has been had to the conclusion of numerous trade agreements which have, on the whole, operated satisfactorily. At the same time, to preserve a favourable trade balance, through reductions in imports of farm products and foodstuffs, the Government has instituted numerous schemes for the stimulation of agricultural production. The net result of these combined devices has been a considerable increase in the output of grains and other field crops and a general but small improvement in industrial output. The metal industries, partly as a result of the demand for armaments, have experienced a satisfactory year, although textile manufacturing has shown some declines. There has been no substantial improvement in the unemployment situation, but lack of satisfactory progress in this direction has been compensated to a considerable extent by a large increase in the number of hours worked overtime.

Czechoslovakia is credited by impartial observers with an unusual degree of stability in her government, and it is now reported that, in effecting recent economies in financing, taxation is to be reduced and substantial encouragement given to extended production in the agricultural and manufacturing industries. It is stated, with respect to the latter, that stocks of raw materials now on hand are comparatively heavy and that increased activity may be anticipated as a result.

FOREIGN TRADE

With respect to foreign trade, Czechoslovakia experienced a reasonably satisfactory year. Both imports and exports showed modest appreciation, although there was some recession from the favourable balance of 1934. Figures for the last two years are given herewith:—

	Imports Kc.	Exports Kc.	Balance Kc.
1934	6,381,768,000	7,279,832,000	+898,064,000
1935	6,731,083,000	7,415,477,000	+684,394,000

Exports to the United Kingdom, the United States, and Soviet Russia showed considerable increases, while the extension of the trade agreement with Germany, the conclusion of new treaties with Hungary and Soviet Russia, and the continuation of the policy of economic co-operation with other adjacent countries, point to the possibility of further improvements in the present situation.

TRADE WITH CANADA

In a consideration of Canadian trade with Czechoslovakia it is desirable to use Czechoslovakian statistics. Canadian figures are deceptive in that they show many exports, actually destined for Czechoslovakia, as having been shipped to Germany. A comparison of Czechoslovakian and Canadian data will illustrate the point. Czechoslovakian statistics: imports from Canada, 1935, \$634,240; exports to Canada, 1935, \$1,726,440. Canadian statistics: exports to Czechoslovakia, 1935, \$49,610; imports from Czechoslovakia, 1935, \$2,047,904.

There is a reasonable comparability between the two figures of Czechoslovakian trade with Canada, but the data of trade flowing in the opposite direction cannot be reconciled except on the ground suggested above, and it may be assumed with safety that the total of Canadian exports to this market during the past year amounted to something over half a million dollars.

The balance, it will be noted, is heavily in favour of Czechoslovakia. This is particularly so at the present time when Canadian demand for various manufactures of glass, metal, leather, and paper has been maintained, but when the exports of wheat and flour particularly have declined to unprecedentedly low levels. Whereas, for example, flour exports to Czechoslovakia during 1930 amounted to some 800,000 barrels, the 1935 total is less than 2 per cent of this amount.

IMPORTS FROM CANADA

There are given below official Czechoslovakian statistics of principal imports from Canada during the past year. While these are presented under group headings only, they are of value as an indication of the composition of this trade. Approximate equivalents, in Canadian dollars, are also given:—

	Kc.	\$
Base metals	5,557,000	222,280
Minerals	4,824,000	192,960
Chemicals	2,694,000	107,760
Flour and wheat	805,000	32,200
Animal products	632,000	25,280
Comestibles	317,000	12,680
Rubber goods	249,000	9,960
Lumber	206,000	8,240
Iron products	112,000	4,480

It is significant that, of the total of \$634,240, over 82 per cent represents trade in minerals, metals, and chemical products.

EXPORTS TO CANADA

Czechoslovakia's exports to Canada, as noted above, are comprised mainly of glassware, leather goods, textile materials, paper products, metal wares, silk manufactures, and rubber goods. The values of all principal exports to the Canadian market during the year 1935 are shown herewith:—

	Kc.	\$
Glassware	6,925,000	277,000
Leather goods	6,103,000	244,120
Textile materials	5,591,000	223,640
Paper products	4,924,000	196,960
Metal wares	3,396,000	135,840
Silk manufactures	3,343,000	133,720
Rubber goods	3,067,000	122,680
Textile manufactures	1,974,000	78,960
Hats and shapes	1,883,000	75,320
Hair, feathers	1,539,000	61,560

IMMEDIATE OUTLOOK

The outlook for an improvement in Canadian business in the Czechoslovakian market is comparatively unfavourable. In so far as a revival in the wheat and flour trade is concerned, this prospect may be dismissed as most improbable since, owing both to governmental policy and the operations of the Czechoslovakian Grain Monopoly, the country is now overstocked with wheat and has even engaged lately in export trading as a means of enabling liquidation of these abnormal supplies. The political situation in Central Europe also has become so bound up with that of economic readjustment that Czechoslovakia must accord prime consideration to her trade relationships with adjacent countries, and this is bound to militate against any important improvement in opportunities for the sale of Canadian goods to this normally receptive and valuable market.

ECONOMIC CONDITIONS IN ARGENTINA IN 1935

J. A. STRONG, CANADIAN TRADE COMMISSIONER

(The value of the peso at par is equal to 42·44 cents Canadian and at current official selling rates to 29·3 cents)

Buenos Aires, January 31, 1936.—The situation in Argentina continued to show a general improvement during the past year. Argentina is an agricultural country, and consuming power is dependent largely if not wholly on the export demand for cereals and meats. External trade showed moderate increases in both exports and imports as compared with the previous year. However, the system of exchange control remains in effect, and there seems to be no evidence to indicate intent on the part of the Government to modify or abolish in the immediate future a system which handicaps severely as suppliers such countries as Canada which normally have had in the past a substantial favourable balance of trade with Argentina.

EXPORT SURPLUSES

The favourable position is marred at present by the fact that there will be the smallest exportable surplus of wheat and linseed for shipment in 1936 for many years. On the other hand, the corn crop, which is singly more important in the export trade than either wheat or chilled meat, promises to be the largest on record here. Marketing difficulties are anticipated, but if prices are at all remunerative for corn, the effect of last year's drought on the country as a whole will be lessened.

BRITISH INVESTMENTS IN ARGENTINA

Interest centres at present on the probable terms of a new agreement which it is conceded must be effected to replace the Roca Agreement expiring next November in order to protect the Argentine meat and cereal trade to the United Kingdom. British investments in Argentina, which in 1933 were estimated at £437,000,000, of which £276,000,000 was in railways and £49,000,000 in Argentine bonds, are an important factor. The Argentine Government has maintained its debt services, but the British holder of Argentine securities, railway, government, and other, was estimated in 1933 to have received a 2·4 per cent return as compared with 5 to 5·6 per cent annually between 1927 and 1930. The position of the British railways here has not improved since 1933.

LEGISLATION IN 1935

The past year has been most important from the point of legislation enacted as affecting finance and agriculture. A Central Bank was established for the first time in June. The meat trade had attention through the establishment of a government-controlled organization empowered to buy cattle and to export beef with a view to extending markets and raising internal prices. A new Grain Act was passed in September to be administered by a board yet to be appointed. Subsidiary to the latter, a new system of grading grain for export has been approved with provision for improving varieties grown. The construction of a country elevator system was further studied and it is expected tenders will be out shortly. The Grain Regulating Board, which handled 75 per cent of wheat purchases for export in 1933-34, is likely to operate again in 1936 under the new high basic prices set in December last. Boards were also established with regulating powers for the milk and wine trades. The latter are of domestic importance only.

FOREIGN TRADE

Products of the various agricultural industries have accounted for an average of 95 per cent of all Argentine exports during the past ten years. Industrial,

forest, or mineral products have not been an important factor in the past, nor are these likely to be in the future due to the absence of natural resources on which these industries could be based.

The aggregate value of Argentine exports was the equivalent of 1,006 million dollars in 1928. In 1934 this figure had declined to 475 million despite the fact that there was only a decline of 16 per cent in volume. The tendency has been for animal products, including chilled meats, hides, and wool, to decline relatively in recent years from 44·6 per cent of all exports in 1925 to a low figure of 30·5 per cent in 1932 and 33 per cent in 1935. On the other hand, cereal exports increased relatively from a low of 47·9 per cent in 1925 to a maximum of 62·4 per cent in 1932 and 56·6 per cent in 1935. The increased importance of grain-growing in the national economy is apparent.

The value of all exports from Argentina in 1935 was 1,542 million pesos, an increase of 7·2 per cent from 1934. In volume the increase was 6·4 per cent. Imports in 1935 at 1,174·9 million pesos show an increase of 5·9 per cent from 1934 in value and 7·1 per cent in volume.

Argentina had a favourable balance of trade on merchandise account in 1935 of 367 million pesos as against 328 million pesos in 1934. Net bullion exports in 1935 were 3·2 million gold pesos as against 2·8 million in 1934.

EXPORT TRADE

Meat exports at 559,859 tons showed no change in quantity last year from the 1934 figure, but due to higher prices showed an increase of 11·8 per cent in value. Hide exports at 163,072 tons increased 11·8 per cent in volume and 19·4 per cent in value. Wool, on the other hand, while exports increased 22·9 in quantity, showed a decrease of 3·3 per cent in value.

The increase in exports of cereals was accounted for mainly by corn, shipments in 1935 at 277 million bushels being 28·8 per cent higher than in 1934. Shipments of wheat, on the other hand, fell from 176·1 million bushels in 1934 to 141·75 million bushels in 1935. Oat exports also declined from 32·8 million bushels in 1934 to 24·45 million bushels last year, and barley shipments fell from 24·7 million bushels to 18·8 million bushels in 1935.

IMPORT TRADE

Imports into Argentina showed an increase in 1935 of 7·1 per cent in volume and 9·4 per cent in value as compared with the previous year. With the exception of tobacco and rubber products, which show decreases, due in the latter case probably to increased local production of tires, the other main groups of imports show substantial increases in 1935, particularly in lumber, which reflects the improved position of building construction, and vehicles, of which automobiles would be the main contributing factor. Details of imports by groups of commodities are shown as follows for 1934 and 1935:—

Groups	1935 Millions of Pesos	1934 Millions of Pesos	Inc. or Dec. Per Cent
Food products	85.7	81.0	+ 5.8
Tobaccos	12.7	15.0	-15.7
Beverages	3.2	2.8	+12.6
Textiles	276.2	275.6	+ 0.2
Chemicals, paints, etc.	78.7	72.1	+ 9.2
Paper and manufactures	59.5	57.9	+ 2.8
Woods and manufactures	47.1	39.6	+19.0
Steel and manufactures	122.5	102.7	+19.2
Machinery and vehicles	89.3	60.6	+47.2
Metals excluding steel	48.9	46.2	+ 5.8
Stone, glass, etc.	33.9	31.7	+ 7.1
Oil, etc.	179.3	161.7	+10.9
Rubber and manufactures	27.9	31.9	-12.7
Various	56.0	45.4	+23.3
Total, millions of pesos	1,121.4	1,024.9	+ 9.4

DIRECTION OF ARGENTINE TRADE

While the available statistics covering exports by destination are subject to increases, particularly in the case of the United Kingdom and Holland, through the addition of items that are shown provisionally "to order," the following table gives a quite accurate picture of the trade position between Argentina and the other countries referred to:—

Exports to and Imports from Argentina

	1935	1934	1935	1934	1935	1934
	Exports to		Imports from		Balance to Argentina	
	Figures in Millions of Pesos					
United Kingdom ..	472.0	553.4	237.2	230.3	+234.8	+323.1
Holland	120.6	163.7	19.9	17.6	+100.7	+146.1
Belgium	120.6	141.1	71.4	50.9	+ 49.2	+ 90.2
Germany	105.5	120.0	101.6	99.3	+ 3.9	+ 20.7
France	70.1	77.9	50.7	51.2	+ 19.4	+ 27.2
Italy	62.1	60.6	48.2	63.5	+ 13.9	- 2.9
United States	181.5	78.8	161.2	151.8	+ 20.3	- 73.0
Canada	17.3	8.9	18.8	20.6	- 1.5	- 13.7
Norway	16.1	15.4	7.7	5.7	+ 8.4	+ 9.7
Finland	4.4	3.5	9.7	11.1	- 5.3	- 7.6
Sweden	11.5	12.9	19.1	14.2	- 7.6	- 1.3
Brazil	74.7	61.1	55.8	49.6	+ 18.9	+ 11.5
To order	114.8	0.9	.....	.....	+114.8	+ 0.9
Other	171.1	140.2	320.1	259.1	-202.6	-202.4
	1,542.3	1,438.4	1,121.4	1,024.9	+367.3	+328.5

The lower favourable balance to Argentina in 1935 as shown with the United Kingdom, Holland, and Belgium of 174.7 million pesos as compared with 1934 will be reduced somewhat when the 114.8 millions shown "to order," which will probably go mostly to these countries, is finally allotted. Nevertheless the Argentine trade position in these three important consuming markets would still be much less favourable than in 1934. On the other hand, the position with the United States shows a vast improvement due to the greatly increased shipments to the United States in 1935.

The Argentine unfavourable balance with Canada in 1934 was reduced last year with little change in Canadian exports to this market, due to increased shipments of Argentine produce to Canada. Of newsprint competitors, Sweden is in a less favourable position than in 1934 and Finland's trade shows little change. Norway still buys more from Argentina than is sold in paper and codfish.

Argentina has reduced her aggregate unfavourable balances with particular countries listed from 98.5 in 1934 to 14.4 million pesos in 1935 due to the higher United States purchases. On the other hand, the net position with all other countries not shown remains at the same level as in 1934.

EXCHANGE CONTROL

• The Argentine exchange control system now in effect is the result of an almost continual evolution from the system of control first adopted in 1931. The purpose is to arrive at a balance of payments by changing the direction of Argentine imports away from those countries with which Argentina has an unfavourable balance of payments. Incidentally, the system is an important source of revenue to the Government.

METHODS ADOPTED

The methods adopted towards attaining this redirection of imports is in theory to grant exchange at a lower rate for imports from all countries up to the amount of the respective country's purchases from Argentina with due allowance for interest payments on the Argentine Government external debt but

with no provision for returns abroad to private investors in Argentina at the lower rate. Payments for that part of Argentine imports from a particular country in excess of that country's purchases from Argentina are remitted for by purchasers here since April, 1935, subject to a tax which brings their cost 20 per cent above the imports which can be brought in at the lower rate.

Prior to April, 1935, when this fixed differential of 20 per cent was established, the margin was less, fluctuating between 5 and 15 per cent. In practice with a particular country which normally sells more to Argentina than the amount of its purchases, certain commodities as in the case of Canada, farm implements and newsprint, are selected by the Exchange Board as being entitled to exchange at the lower rate.

Other commodities than these are considered as making up the excess shipments which go towards making the balance unfavourable to Argentina and payments for these are subject to the tax and so are at a disadvantage in competing with similar products from other countries where these commodities are not discriminated against by the Exchange Board.

PROFITS THROUGH OPERATION OF CONTROL

Since the inauguration of the exchange control system to August 15, 1935, the Argentine Government made a profit of 197·8 million pesos through buying exchange from exporters at a fixed rate and selling it again to importers at a higher rate. Of this amount 69·5 million pesos was used to cover exchange trading losses; 9·1 million to cover losses incurred by the Grain Board, for the most part in maintaining the minimum price on wheat in 1934; 3·1 million to the Milk Board; 0·3 million to the Cotton Board; and 3 million to the Meat Board. The Government therefore had 112 million pesos still on hand in August last year, and it is estimated current profits since that date are 10 million pesos monthly. It has been proposed that a further appropriation from the exchange profits, 50 million pesos, be made towards the construction of the system of country and terminal elevators which is under consideration.

GRAIN BOARD OPERATIONS

The Grain Board was not obliged to draw to any extent on the exchange profits in 1935 since grain prices were consistently above the minimums set by the Government. However, the new high basic prices set for wheat and linseed in December last for the 1935-36 crop may mean that the Grain Board will have to operate again in 1936. Further, the firm prospects for a record corn crop to be harvested shortly, if the minimum price of 4·40 pesos per quintal which has been in effect since 1933 is maintained, may mean too that further losses will have to be absorbed from exchange profits.

POSITION OF BRITISH INVESTMENT INTERESTS

There would seem to be no evidence in the present situation of intent on the part of the Government to remove or relax the exchange restrictions in the immediate future. It is an important source of Government revenue. There is little or no criticism locally from a political point of view. Besides, the agricultural interests are assured that the profits from exchange control will be utilized towards improving their position. British investment interests, particularly the railways, are displeased because interest and dividends must be remitted at the free market rate, whereas interest on the external Government debt is paid at the lower or official rate—i.e. approximately 17 against 15 pesos to the pound at present.

CANADA'S EXCHANGE POSITION

Canada purchased Argentine goods to the value of 17·3 million pesos in 1935 against sales to Argentina amounting to 18·8 million pesos. The relation

of purchases to sales in 1934 was 8.9 million to 20.6 million, and in 1933, 6.1 million to 11.4 million pesos. Consequently Canada's purchases from Argentina nearly doubled in 1935 as compared with 1934 and trebled as against the 1933 figure. At the same time Canadian exports to Argentina, while slightly lower in 1935 than in 1934, show a substantial increase when compared with the 1932 and 1933 figures.

According to Canadian statistics, newsprint and farm implements, which are the only two commodities from Canada for which the lower rate of exchange is granted here, accounted for 72.3 per cent of the 1935 shipments to Argentina to November 30. The balance of Canadian shipments comprised such items as apples, certain rubber goods, etc., which can be sold here since competing products from other sources of supply happen to be in a similar position.

GRAIN-GROWING

Cereal crops are grown in Argentina mainly for export in the form of grain. Of the principal crops produced, 62 per cent of the wheat, 81 per cent of the corn, and 89 per cent of the linseed was exported over the past ten-year period. Despite the domestic consumption of malting barley, 61 per cent of this crop is sold abroad. Mixed farming is almost unknown since it is neither practicable nor logical as grain is not required for feed in either the beef or dairy industries.

Wheat and corn are the two principal grain crops: wheat from the point of view of acreage and corn of value at present in export trade. The following table will indicate the relative importance of the various crops:—

Acreage and Exports of Argentine Grain

	Acreage Sown		Percentages		Percentage of Value	
	Average		Acreage		All Exports	
	10 Yrs.-'34	5 Yrs.-'34	10 Yrs.-'34	5 Yrs.-'34	10 Yrs.-'34	5 Yrs.-'34
	Million Acres		Average		Averages	
Wheat	19.8	19.6	44	40	21	18
Corn	12.5	14.5	28	30	19	21
Linseed	7.1	7.4	16	16	12	13
Oats	3.4	3.6	7	8	2	2
Barley	1.2	1.5	3	3	1	1
Rye	1.0	1.4	2	3	..	..
	45.0	48.0	100	100	55	55

The increasing relative importance of corn, which has displaced wheat as the first export crop, is a stabilizing factor in Argentine trade due to the wider distribution of corn sales among consuming countries as compared with wheat. The importance of corn is apparent too at present when there is a short crop of both wheat and linseed, but the prospects are for a very large corn crop to be harvested next month.

Drought conditions are responsible for Argentina having the lightest wheat and linseed crops in 1935 harvested in many years. The latest official estimates place the wheat crop at 143.3 million bushels, or 95.5 million bushels below the last ten-year average. Similarly, the linseed crop is expected to be down 32 per cent from a five-year average. On the other hand, it is suggested in some quarters that the new corn crop may possibly yield 600 million bushels, or double the last ten-year average.

MINIMUM PRICES FOR GRAIN

The Government fixed minimum prices for grain for the first time in November, 1933, on the basis of 5.75 pesos for wheat, 11.50 for linseed, and 4.40 pesos for corn per quintal. These prices were maintained during 1934, when the Grain Board handled 75 per cent of all the wheat exported but only an insignificant quantity of the other crops, incurring a loss of slightly more than 8 million pesos. The minimum prices were maintained at the same level

while the 1934-35 crop was being marketed, but prices were well above the respective minimums and the board was not obliged to enter the market.

However, in December last, with prospects of a short crop, the minimum prices were increased to 10 pesos for wheat and 14 pesos for linseed. The 4.40 minimum for corn is being maintained for the present. Any losses the Grain Board may incur in 1936 as in the past will be met from profits accruing from the exchange control operations.

COUNTRY AND TERMINAL ELEVATORS

It appears probable now that definite action will be taken shortly towards the construction of a system of country elevators with additions to the present terminal elevator capacity. The report of the special commission on elevators has been approved, and the Ministry of Agriculture has announced that tenders will be called in February, 1936, covering the construction of 321 country elevators of 75,000 to 185,000 bushels capacity each and 15 new terminal elevators. The latter will have a total capacity of 22 million bushels, which will add to the present privately-owned terminal elevator capacity of 19 million bushels of wheat. The elevators are to be completed within the next four years at a cost of 28 million dollars.

PROPOSED NEW SYSTEM OF GRAIN GRADING

A new system of grades for Argentine wheat and other grains was approved in 1935. Wheat will in future be classified officially as Hard, Semi-hard, and Soft. The grade will apply to each of the three producing zones from which wheat now comes known in the trade as "Barusso," "Rosafe," and "Baril," and each grade will have sub-divisions Nos. 1, 2, and 3. The varieties of wheat which will be admitted to each grade and those now grown which will be excluded in future from all official grades are specified. Provision is made for the control and the distribution of grain for seed. There are many difficulties in the way of perfecting these plans, but the tendency will be towards an improvement in the quality of grain exported.

LIVE-STOCK AND MEAT INDUSTRY

Argentina has 30 million cattle, 39 million sheep, and 3.7 million swine. Of the live stock slaughtered in 1934, 28.4 per cent of the cattle, 54.8 per cent of the sheep, and 30 per cent of the hogs were exported. The United Kingdom took 89 per cent of all the meats exported from Argentina in 1934, but only 20 per cent of the animal by-products, including hides and wool. As animal products account for nearly one-third of all Argentine exports, this highly developed and important live-stock industry is peculiarly dependent on the English market.

Under the Anglo-Argentine Trade Convention of 1933, chilled beef exports were placed on a quota basis, so that the Argentine meat trade has been held more or less at the 1933 level with little possibility of expansion except in the minor meat lines. This convention expires in November, 1936, and the possible terms of the new arrangement which may be negotiated is a matter of first importance here. Local interests feel that they must count mainly on the high-quality and low-production costs of Argentine beef to hold a place in their principal market.

CORPORATION OF MEAT PRODUCERS

The slaughter of live stock in Argentina for export is controlled by a few English and American packers. Local interests and the Government have not been a direct factor in building up the industry. In 1933 a National Meat Board was established by the Government, and empowered to collect 1 per cent on all cattle sales, which was to be used to foster and improve the condition of the industry.

In January, 1935, the Argentine Corporation of Meat Producers was constituted by the Government. Live stock breeders become shareholders by virtue of and in a proportion up to 80 per cent of the 1-per-cent tax paid to the Meat Board on sales. The objective of the corporation is a lessening of the margin between local live stock prices and London prices, through purchases from breeders at prices above the market.

Since June, 1935, when the first shipment of chilled beef was made, the corporation have exported 230,916 carcasses of chilled beef or 4.5 per cent of all exports, 2,082 carcasses of frozen beef, and 194,177 and 13,190 carcasses respectively of lamb and mutton. They have no packing plant, but slaughter under contract with the packers. The Meat Board to December last had allotted 4 million pesos from the 1-per-cent tax to the corporation.

INCREASE IN LIVE-STOCK PRODUCTS EXPORTS

Exports of live-stock products showed an increase in 1935 of 5.8 per cent in volume and 9.7 per cent in value as compared with 1934. Shipments of chilled beef were slightly up from 4.3 million in 1934 to 4.6 million quarters in 1935. The severe drought experienced last summer was an unfavourable factor and made necessary the transfer of many herds to other provinces.

Shipments of lamb carcasses at 2.4 million were up 10 per cent over 1934, but low wool prices accounted for a drop of 7.6 per cent in the value of exports of the latter.

FINANCE

The establishment of a Central Bank in June, 1935, was made the occasion of the official revaluation of the gold stocks of the country taken over. Of the profit of 663 million pesos accruing from this revaluation, plus 38 millions from subsidiary coinage, 301 million was used for cancellation of part of the floating debt.

The consolidated public debt at the beginning of 1935 was 1,811 million internal and 1,234 million pesos external. The floating debt was reduced as at June last to 109 million pesos. National Government cash revenues at 892 million pesos in 1935 showed an increase of 82 million from 1934. Customs receipts increased 10 per cent. Revenue shown from bond issues and loans was 353 million, making a total of 1,246 against expenditures amounting to 1,254, which includes 245 million for public debt service. The latter shows a decrease of 40 million pesos due mostly to debt conversion operations. The Minister of Finance states that there is a budget surplus of 20 million for 1935, a greatly improved position as compared with a few years ago.

Unemployment has not been a national problem in Argentina nor a cause for public expenditures in recent years, despite the fact that 20 per cent of the total population are in Buenos Aires. Urban residents have in a large part rural connections. Food generally is relatively cheap, and heating is not a factor in the housing problem. Expenditures on public works and armaments was 75 million pesos in 1935.

ARGENTINE GRAIN ELEVATORS: NEW CONSTRUCTION

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, February 1, 1936.—The Ministry of Agriculture have announced that 321 country elevators with a capacity varying from 75,000 to 185,000 bushels of wheat each, and 15 new terminal elevators with an aggregate capacity of 22 million bushels, will be constructed. The present terminal elevator capacity for bulk storage, which is under private ownership, is 19 million bushels. It is the intention of the Government to acquire the latter. Taking the average capacity of the country elevators at 130,000 bushels, Argentina will eventually

have elevator capacity to store 42 million bushels of wheat in country elevators and 41 million bushels in terminal elevators, or an aggregate capacity of 83 million bushels for storing wheat in bulk. Argentine wheat is at present handled to seaboard in bags, and present terminal storage facilities for bags will take care of 9 million bushels.

COST OF NEW ELEVATORS

Preliminary plans and specifications for the new elevator system have been approved, and a special Government section has been established which will be in a position to call for tenders on the new terminal elevators during the present month and the country elevators within the next six months. The entire work is to be completed within four years at a total cost of the equivalent of 28 million dollars. Estimates place the cost of the country elevators at 10 million and the new terminal elevators at 15 million dollars.

ELEVATOR CAPACITY AND WHEAT EXPORTS

The average annual exports of wheat from Argentina during the past five-year period was 144 million bushels. The average domestic consumption is 95 million bushels. The following table will indicate the final distribution of terminal elevator capacity as between the three wheat-growing zones in Argentina in relation to average exports through the ports of these zones and as compared with existing and eventual terminal elevator capacity at these ports.

WHEAT-GROWING ZONES

The three wheat-growing zones are: (1) Buenos Aires district, which produces "Baril," a soft wheat, although exports from the ports of the area, principally Buenos Aires, include a very considerable amount of "Rosafe" wheat; (2) the Rosario district, which comprises the area producing "Rosafe" wheat; (3) Bahia Blanca or southern district, which produces "Barusso," the Argentine hard wheat.

Elevator Capacity and Wheat Exports of Argentina

Ports	Bulk Elevator Capacity			Wheat Exports	
	Present	New	Eventual	Average 5-Yr. to 1935	Maximum of 5 Yrs.
Thousands of Bushels					
<i>Buenos Aires Area—</i> (Baril, Rosafe)					
Buenos Aires	6,220	5,695	11,900	21,498	26,316
La Plata	412	735	1,145	4,540	4,980
Zarate . . . . .	.....	368	368	13	18
Sub-total	6,632	6,798	13,413	26,051	.....
<i>Rosario Area—</i> (Rosafe)					
Rosario	6,550	4,220	10,600	39,792	54,150
Santa Fé	533	1,627	2,161	9,960	17,850
Concepción	368	583	952	694	1,810
Constitución . . . . .	.....	1,837	1,837	1,522	1,781
Diamante . . . . .	.....	584	584	1,747	3,440
San Nicolas	250	1,835	2,083	1,223	2,095
San Lorenzo	331	.....	331	2,371	3,596
Other . . . . .	.....	.....	.....	1,180	.....
Sub-total	8,032	10,686	18,553	58,500	.....
<i>Bahia Blanca Dist.—</i> (Barusso)					
Bahia Blanca	4,680	2,205	6,890	48,700	58,240
Mar del Plata . . . . .	.....	698	698	1,604	1,850
Quequen . . . . .	.....	1,520	1,520	9,540	11,870
Sub-total	4,680	4,423	9,108	59,844	.....
Grand total	19,344	21,907	41,074	144,395	.....

The eventual terminal capacity in the Buenos Aires area will be 51.5 per cent of the five-year average annual exports through all the ports of the area.

However, the bulk of the domestic consumption of 95 million bushels is in the city of Buenos Aires. Terminal capacity for the Rosario or "Rosafe" wheat area will take 31·9 per cent of average exports, and for "Barusso" wheat from the southern Atlantic ports terminal capacity will only take care of 15·2 per cent of average exports.

CENTRAL CHINA GLUE TRADE

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, January 28, 1936.—A recent inquiry undertaken by this office regarding the outlet for imported glue in Central China revealed that the market is principally controlled by British, German, and Japanese manufacturers, whose products have been long established in this trade.

IMPORTS

Below are given imports of glue of all kinds from the chief sources of supply into the whole of China proper for the last three years:—

	1933		1934		1935	
	Kilogr.	Gold Units	Kilogr.	Gold Units	Kilogr.	Gold Units
Total..	2,397,700	597,312	1,285,000	357,168	1,192,206	282,104
Czechoslovakia . . . . .	.....	.....	115,900	32,631	76,823	25,123
France..	11,900	3,542	20,800	7,063	147,233	21,903
Germany	667,800	178,873	204,100	65,624	204,854	56,419
Great Britain	351,400	101,547	301,600	80,497	247,612	52,190
Japan..	602,600	156,515	470,700	111,851	442,953	102,597
U.S.S.R. (Russia), Baltic and White Sea ports..	532,200	85,366	25,900	4,721	.....	.....
	1933		1934		1935	
Average value of gold unit..	U.S.\$0.52		U.S.\$0.66		U.S.\$0.68	

During 1935 the port of Shanghai accounted for 49·6 per cent of the total imports of glue into China, and in 1934 Shanghai was responsible for 39·6 per cent of the total importation.

PRINCIPAL CONSUMING INDUSTRIES

The principal consuming industries are match factories, textiles, Chinese ink makers, and the furniture and carpentry trades. There is also a certain demand for marine glues and pastes used in offices, etc., but the quantity imported for such purposes is very limited.

Broadly speaking, this is a price market requiring the cheaper bone glues, and to a lesser extent there is an outlet for better qualities, including high-strength skin glues for the match industry and other consumers where great adhesive power is essential. It is reported that prepared casein glues are little used, although pure casein is employed by high-class furniture and veneer makers, who need an insoluble adhesive that is not affected by damp. The total consumption of this class of glue, however, is estimated to be less than 10 tons per annum. Little or no fish glue is imported except in small containers for household use.

DOMESTIC PRODUCTION

Glue from hide scraps and offal is widely made throughout China to supply the needs of the local carpenters and cloth dyers. Such glues are of the lowest grades and are correspondingly cheap, as the raw materials cost practically nothing. A rather better type of native glue is made in Canton from hide cuttings and is used mainly in the stick-ink trade, for which it is particularly suited. The volume of supplies, and correspondingly prices, are both subject to considerable variation, and there are no statistics available which would make it possible to estimate the production of native glue.

A glue factory operating on modern lines has recently opened at Tsingtao in Shantung Province. Reliable information on the quantity and quality of the output is not yet available, but it is understood that whereas the quality was at first inferior, the current production, while still below the standard of European glues, is nevertheless a fairly good product, and the prices offered are understood to be from 10 to 15 per cent lower than those of the bulk of the imported bone glues.

It remains to be seen, however, just how important a factor Tsingtao glue will become in the Shanghai market, and one authority consulted predicts that most of the production from this source will be marketed in the North of China. Meanwhile, there is no large-scale manufacturing of glue in Shanghai or Central China, although there have been several unsuccessful attempts in the past to produce glue in this area. There is at the present time one factory operating in Shanghai turning out in the neighbourhood of 250 tons per year, the bulk of which is disposed of to one of the larger match factories located in this city.

LEADING COUNTRIES OF SUPPLY

Generally speaking, British and German animal glues are considered the leading supplies to the Shanghai market, with French brands looked upon as being lower in grade and on the average commanding cheaper prices. Russian bone glue has sold in this market in recent years at quite low prices, but imports from this source have declined during the past two years. It is understood that certain quantities of Argentine animal glue have also been coming into Shanghai at very cheap prices, but shipped via Great Britain, thus losing their identity in the import statistics. The bulk of the Japanese glues are sold in North China markets rather than in Shanghai. United States glues are generally considered non-competitive with those of other sources of supply, and recent prices on American glue for match-making indicate that the quotations are quite out of line with European offers.

In spite of the strongly entrenched position of European and other suppliers, in view of the range of glues used in various industries there is always the possibility that some special product could find an opening provided competitive prices could be offered. Accordingly, as this office is in touch with importers willing to consider Canadian sources of supply, any firms interested in testing out the Shanghai market are invited to communicate with the Canadian Trade Commissioner at Shanghai, at the same time forwarding samples, c.i.f. prices, and full particulars of their products.

PRELIMINARY REPORT ON THE TRADE OF JAPAN FOR 1935

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

Tokyo, January 25, 1936.—According to an official preliminary report on the foreign trade of Japan, including Korea, Formosa, and the Japanese mandated islands in the South Seas, for the calendar year 1935, the total trade amounted to 5,221 million yen as against 4,658 million yen for the previous year, showing an increase of 563 million yen or 12·1 per cent. These figures created a new record for Japan, as they exceeded by some 109 million yen the record achieved in 1925 of 5,112 million yen.

Exports during the period under review amounted to 2,603 million yen as against 2,258 million yen for the previous year, showing an increase of 345 million yen or 15·3 per cent. Imports increased by 217 million yen (9·1 per cent) to 2,617 million yen as against 2,400 million yen in 1934. The trade balance showed a remarkable improvement with an excess of imports amounting to only 15 million yen as against 142 million yen for 1934, showing a reduction of about 128 million yen or 89·7 per cent. This adverse trade balance was the smallest since 1918, when an excess of exports was registered.

If consideration is given to the excess of exports over imports of gold and silver specie and bullion, one might be led to believe that a favourable balance of 146 million yen for 1935 would counteract the unfavourable trade balance mentioned above, but as considerable imports are not shown as invisible imports from China, the balance of accounts may be unaffected by this item.

As the following statistical tables illustrate, the total trade of Japan proper showed an increase of 11.6 per cent, that of Korea 20.2 per cent, that of Formosa 26.3 per cent, and that of the Japanese mandated islands in the South Seas 40.6 per cent. In export trade Japan proper increased by 15.1 per cent, Korea by 12.5 per cent, Formosa by 37.8 per cent, and the Japanese mandated islands by 35.5 per cent. In import trade Japan proper was up by 8.2 per cent, Korea by 25.9 per cent, Formosa by 18.3 per cent, and the Japanese mandated islands by 70.8 per cent. The trade balance for Japan proper showed an excess of exports for the period under review of 26,837,000 yen as against an excess of imports amounting to 110,667,000 yen during last year; that of Korea resulted in an excess of imports amounting to 35 million yen with an increase of 61 per cent; that of Formosa in an excess of imports of 8,435,000 yen with a reduction of 26.7 per cent of this excess; and for the Japanese mandated islands surplus exports increased by 28.2 per cent.

TRADE OF JAPAN, KOREA, FORMOSA, AND THE MANDATED ISLANDS

	1934	1935	Increase
Exports—	In Thousands of Yen		
Japan Proper	2,171,925	2,499,073	327,148
Korea	57,674	24,902	7,228
Formosa	26,518	36,544	10,026
Mandated Islands	1,964	2,661	697
Total	2,258,081	2,603,180	345,099
Imports—			
Japan Proper	2,282,602	2,472,236	189,634
Korea	79,527	100,093	20,566
Formosa	38,031	44,979	6,948
Mandated Islands	335	572	237
Total	2,400,495	2,617,880	217,385
Total Trade—			
Japan Proper	4,454,527	4,971,309	516,782
Korea	137,201	164,995	27,794
Formosa	64,549	81,523	16,974
Mandated Islands	2,299	3,233	934
Total	4,658,576	5,221,060	562,484
Excess of Imports or Exports—			Inc. or Dec.
Japan Proper	-110,677	+26,837	Dec. 137,514
Korea	-21,853	-35,191	Inc. 13,338
Formosa	-11,513	-8,435	Dec. 3,078
Mandated Islands	+1,629	+2,089	Inc. 460
Total	-142,414	-14,700	Dec. 127,714

NOTE: — indicates the excess of imports and + the excess of exports.

EXPORTS AND IMPORTS OF SPECIE AND BULLION

	1934	1935	Inc. or Dec.
Exports—	In Thousands of Yen		
Japan Proper	13,924	225,405	+211,481
Korea	19	11	8
Formosa	49	1,925	+1,876
Total	13,992	227,341	+213,349
Imports—			
Japan Proper	331	142	+189
Korea	67	69,371	+69,304
Formosa	456	11,163	+10,707
Total	854	80,676	+79,822
Excess of exports	13,138	146,665	+133,527

NOTE.—Imports and exports of specie and bullion are almost entirely composed of silver bullion.

A further analysis of trade shows that articles wholly manufactured form approximately 60 per cent of total exports, but an increase in exports of semi-manufactured commodities is also noticeable, while raw materials account for 60 per cent of the imports. In exports, articles wholly manufactured (1,451.3 million yen) increased by 7.9 per cent; goods for further use in manufacturing (672.4 million yen), by 34.9 per cent; food, drink, and tobacco, partly or wholly manufactured (145.3 million yen), by 17.6 per cent; raw materials (110.4 million yen), by 15.4 per cent; food, drink, and tobacco in a natural state (51.8 million yen), by 7.2 per cent; miscellaneous (29 million yen), by 5.5 per cent; and re-export goods (38.7 million yen), by 18.4 per cent.

In imports, raw materials (1,507.6 million yen) increased by 6.6 per cent; goods for further use in manufacturing (468.6 million yen), by 12.7 per cent; articles wholly manufactured (286.3 million yen), by 9 per cent; food, drink, and tobacco in a natural state (147.5 million yen), by 17.1 per cent; miscellaneous (10.5 million yen), by 1.8 per cent; and re-imports (6.6 million yen), by 20.2 per cent. Food, drink, and tobacco, however, partly or wholly prepared (45.1 million yen) declined by 7 per cent.

According to major articles, cotton tissues take the lead in exports, followed by raw silk and rayon tissues. Raw cotton heads the list of imports, with iron and wool following.

FACTORS IN INCREASE OF FOREIGN TRADE

The remarkable increase in Japan's foreign trade is due to a number of factors, one of which is that the yen has depreciated further in the course of the year, as may be judged by the following average rate of the yen on New York by the Yokohama Specie Bank, established by a local economic paper:—

Average Rate of Exchange on New York

	High	Low
1934	\$30 $\frac{3}{8}$	\$28 $\frac{3}{8}$
1935	29 $\frac{3}{8}$	27 $\frac{3}{8}$

There is no doubt also that the efforts of the Japanese Government for the promotion of trade have been a contributing factor. Much as Sino-Japanese relations have been aggravated of late, improved Sino-Japanese relations in the first part of the year, reflected in increased trade particularly during that period, have contributed to the general increase. Japan's exports to China for 1935 amounted to nearly 149 million yen, showing an increase of 27.1 per cent against those of 1934, and her imports from China amounted to about 134 million yen, showing an increase of about 12 per cent, leaving a trade balance of 15 million yen in favour of Japan.

Increased exports of raw silk together with higher prices due to increased demands in the United States, Japan's prime market for silk, have also helped to improve the trade balance of Japan in the year under review, and as this favourable situation is dependent upon conditions in the United States, future exports are also dependent upon the maintenance of these conditions.

A decreasing proportion of imports to exports, thus showing a better trade balance for the year, is due principally to a reduction in imports of raw cotton (714.2 million yen compared with 731.4 million yen in 1934). Although the exports of cotton tissues appear to have reached a high mark in 1935—496 million yen as against 492.3 million yen in 1934—reduced imports of raw cotton may indicate a future reduction in exports of cotton tissues. This may possibly be due to foreign markets tightening their restrictions on the importation of these goods.

AIR MAIL RATES

Postage
including Fees for
all Air Mail Services
Available

Any Place in

- | | |
|---|---|
| 1. Canada, Great Britain and Northern Ireland, Irish Free State, Newfoundland or any place in North America not mentioned in Groups 2 and 4 | 6 cents first ounce
5 cents each ounce after |
| 2. United States, Bermuda | 6 cents each ounce |
| 3. Europe (except places mentioned in Group 1) | 10 cents each ounce |
| 4. West Indies and British Guiana, Mexico, Cuba, Central America, Asia, Africa | 25 cents each $\frac{1}{2}$ ounce* |
| 5. Australasia | 35 cents each $\frac{1}{2}$ ounce |
| 6. South America | |
| (a) Colombia, Ecuador, Venezuela, Dutch Guiana, and French Guiana | 50 cents each $\frac{1}{2}$ ounce |
| (b) Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, and Uruguay | 70 cents each $\frac{1}{2}$ ounce |
- Registration, if desired, is additional to the above.

* This rate does not apply to air mail despatched by the U.S. "Clipper" service from San Francisco to Hawaii, Guam and the Philippine Islands for which the rate is 25 cents, 50 cents and 75 cents per half ounce, respectively.

TARIFF CHANGES AND CUSTOMS REGULATIONS**South Africa Exchange Dumping Duty on Japanese Web Belts**

The Union of South Africa Government *Gazette* of January 10, 1936, contains a proclamation, effective on that date, imposing an exchange dumping duty on elastic and non-elastic web belts imported into that country from Japan. This proclamation fixes the value of the Japanese yen for the purpose of computing exchange dumping duty at 23.35 South African pence. The amount of exchange dumping duty imposed is equal to the difference between the cost free-on-board at the port of shipment of these goods to the importer in Union currency and the same cost in Japanese yen converted into South African currency on the basis of 23.35 pence to the yen. The amount of exchange dumping duty in no case is to exceed 50 per cent ad valorem. The imposition of this exchange dumping duty is equivalent to an extra duty of approximately 9 pence on each yen of value of Japanese imports of elastic and non-elastic web belts.

Iraq Customs Tariff Changes

Iraq Law No. 65 of 1935, dated December 16, amends Customs Tariff Law No. 11 of 1933 in respect to certain commodities. Some new duties (former rates in parentheses) are: plants and seeds, 8 per cent ad valorem (11 per cent); leather parts for footwear, 50 per cent ad valorem (25 per cent); unenumerated footwear (including uppers, legs, and other parts), 50 per cent ad valorem (25 per cent); tubes, pipes, joints, and flanges of asbestos or asbestos cement for water-supply purposes, free (8 per cent); iron or steel rails or sleepers, fish-plates, bed-plates, clips, gauge-plates, and bars, except those for Government-owned railways, 11 per cent ad valorem (free); stencils and dies for marking boxes, cartons, and wrappers for date packing, free (8 per cent); unenumerated machinery and appliances for cutting stencils and for marking in date packing, free (15 per cent); and machinery and appliances for the marking of date packages, free (15 per cent).

Reduction of Netherlands Monopoly Tax on Fresh Apples

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writes that a ministerial order of February 11, 1936, reduces the monopoly tax on fresh apples imported into the Netherlands during the period from March 1 to June 30, 1936, from 0.04 florin to 0.02 florin per kilo. This reduction applies to fresh apples from all countries enjoying most-favoured-nation treatment, including Canada. The quantity which may be imported during the above-mentioned period at the lower tax shall be equal to the quantity of fresh apples produced in and exported by each of the countries in question to the Netherlands in 1934. Netherlands trade statistics show imports from Canada at 1,212,710 kilos (2,667,962 pounds) in 1934.

Abolition of Quotas on Cotton Textiles in Peru

Mr. R. W. McBurney, Assistant Trade Commissioner, Lima, Peru, writes under date January 10, 1936, that, by virtue of a decree dated December 30, 1935, the system of quotas on cotton textiles, originally established by decree of May 10, 1935, was abolished. Imports of cotton textiles from Canada are therefore free of restriction in the form of quotas.

While relieving imports from all other countries of quota restrictions, the new decree subjects imports of cotton textiles from Japan to an annual quota of 612,774 gross kilos. It is stated that this action was taken after negotiations for an agreement with Japan had proved unavailing.

Revision of Toll Surtax in the Republic of Honduras

Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City, writes under date February 20, 1936, that, by a decree of the Government of Honduras effective January 30, 1936, the toll surtax on imported merchandise has been revised upwards. With the exception of gasoline and lumber, the surtax on the importation of merchandise subject to tax now amounts to two centavos of a lempira (instead of one)—one lempira equals 50 cents U.S.—for each kilogram of gross weight. The following articles are specially listed as being subject to only one centavo (instead of one-half) per gross kilo: unboxed machinery, iron bars and plates, galvanized sheet iron, fence wire, cement (Roman), sugar, edible salt, flour, corn, beans, wheat, and uncrushed cereals of all kinds. Further, the surtax has been increased from two centavos to four centavos on all merchandise imported duty-free except heavy machinery (that weighing over 500 kilos), cement, and water pipes, which continue to be taxed at the rate of one centavo per gross kilo up to 1,000 kilos and one-half a centavo for each gross kilo in excess of 1,000 kilos. Merchandise introduced under special concessions pay taxes to the amount agreed upon in the respective contracts.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, and the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, and the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications. Particulars are as follows:—

Public Works Department.—Three sets of 11,000-volt metal-clad switchgear and accessories in accordance with specifications and drawings (tenders close May 19).

Post and Telegraph Department.—500 earthplates, copper, to specification (tenders close May 19).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 2

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending March 2, 1936, with the official bank rate. Quotations for the week ending February 24, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 24	Nominal Quotations in Montreal Week ending Mar. 2	Official Bank Rate
Austria	Schilling	.1407	.1896	.1897	3½
Belgium	Belga	.1001	.1701	.1704	2
Bulgaria	Lev	.0072	.0130	.0130	6
Czechoslovakia	Krone	.0296	.0418	.0419	3
Denmark	Krone	.2680	.2227	.2229	3½
Finland	Markka	.0252	.0223	.0221	4
France	Franc	.0392	.0667	.0668	3½
Germany	Reichsmark	.2382	.4059	.4063	4
Great Britain	Pound	4.8666	4.9912	4.9900	2
Greece	Drachma	.0130	.0095	.0094	7
Holland	Guilder	.4020	.6857	.6868	2½
Hungary	Pengo	.1749	.2971	.2973	4
Italy	Lira	.0526	.0802	.0803	5
Jugo-Slavia	Dinar	.0176	.0230	.0232	5
Norway	Krone	.2680	.2507	.2507	3½
Portugal	Escudo	.0442	.0454	.0455	5
Roumania	Leu	.0060	.0076	.0077	4½
Spain	Peseta	.1930	.1381	.1384	5
Sweden	Krona	.2680	.2573	.2572	2½
Switzerland	Franc	.1930	.3300	.3303	2½
United States	Dollar	1.0000	.9987	.9990	1½
Poland	Zloty	.1122	.1908	.1907	5
Argentina	Peso (Paper)	.4245	.3326	.3326	—
Brazil	Milreis (Paper)	.1196	.0829	.0829	—
Chile	Peso	.1217	.0509	.0509	4½
Colombia	Peso	.9733	.5824	.5792	4
Mexico	Peso	.4985	.2774	.2773	4-5
Peru	Sol	.2800	.2485	.2486	6
Venezuela	Bolivar	.1930	.2587	.2600	—
Uruguay	Peso	1.0342	.8015	.8010	—
China (Shanghai)	Dollar	.....	.2991	.3000	—
Cuba	Peso	1.0000	.9980	.9985	—
Hongkong	Dollar	.....	.3273	.3275	—
India	Ruppee	.3650	.3764	.3763	3
Japan	Yen	.4985	.2908	.2894	3.65
Java	Guilder	.4020	.6881	.6898	4
Siam	Baht (Tical)	.4424	.4575	.4496	—
Straits Settlements	Dollar	.5678	.5840	.5845	—
South Africa	Pound	4.8666	4.9850	4.9850	—
British Guiana	Dollar	1.0138	1.0400	1.0400	—
Jamaica	Pound	4.8666	5.0025	5.0000	—
Other British West Indies	Dollar	1.0138	1.0400	1.0400	—
Martinique	Franc	.0392	.0667	.0668	—
Guadeloupe	Franc	.0392	.0667	.0668	—
Australia	Pound	4.8666	3.9925	3.9925	—
Egypt	Pound (100 Piastres)	4.9431	5.1137	5.1200	—
New Zealand	Pound	4.8666	4.0250	4.0250	—
Argentina	Free	Free	.2752	.2752	—
Brazil	Free	Free	.0559	.0564	—
Chile	Free	Free	.0409	.0409	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

With the exception of a flurry in yen exchange following recent political disturbances in Japan, little of note occurred during the fourth week of February. The yen recovered about lower in terms of the French franc and the United States dollar. Recent independent behaviour of the China (Shanghai) dollar established the fact that it is not "pegged" either to sterling or to the United States dollar, but its position with reference to these units is subject to control.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Victoria, B.C.
Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Name of Inquirer	Purchase or Agency
Foodstuffs—			
Codfish.....	120	Havana, Cuba.....	Purchase.
Salmon.....	121	Guayaquil, Ecuador.....	Agency.
Canned Fish Products.....	122	Buenos Aires, Argentina....	Agency.
Canned Goods, especially Canned Fish, except Salmon.....	123	Amsterdam, Holland.....	Agency.
Canadian Rye Whisky.....	124	New York, U.S.A.....	Agency.
Miscellaneous—			
Oats.....	125	Havana, Cuba.....	Agency.
Pharmaceutical Products.....	126	Havana, Cuba.....	Agency.
Glassine Paper.....	127	Sydney, Australia.....	Agency.
Transparent Cellulose Paper.....	128	Sydney, Australia.....	Agency.
Ladies' Dresses.....	129	Dublin, Irish Free State....	Purchase.
Patent Leather Sides.....	130	Northampton, England....	Purchase or Agency.
Suede Calf; Black and Coloured Box Calf (so called Baby Calf). ..	131	Northampton, England....	Purchase or Agency.
Motor Graphite (Flaked).....	132	Johannesburg, South Africa	Agency.
Domestic Vacuum Cleaners.....	133	Johannesburg, South Africa	Agency.
Canning Machinery suitable for Canning, Conveying and Handling Beer.....	134	Melbourne, Australia.....	Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Saint John

To Liverpool.—Duchess of York, March 14; Montcalm, March 20; Duchess of Bedford, March 28; Montclare, April 3—all Canadian Pacific.

To London.—Beaverbrae, March 12; Beaverford, March 19; Beaverhill, March 26; Beaverdale, April 2; Beaverburn, April 9—all Canadian Pacific.

To Manchester.—Manchester Port, March 12; Manchester Citizen, March 19; Manchester Brigade, March 26; Manchester Hero, April 1; Manchester Producer, April 9—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, March 14; Norwegian, April 11—both Donaldson and Dominion Lines.

To Glasgow.—Dakotian, March 14; Sulairia, March 28; Norwegian, April 11—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk (calls at Dundee), March 21; Cairnglen, April 4—both Cairn-Thomson Line.

To Dublin and Belfast.—Kenbane Head, March 18; Fanad Head, March 26—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Sonja, Canada-Mediterraneo Line, March 19.

To Antwerp and Havre.—Beaverbrae (does not call at Havre), Canadian Pacific, March 12; Grey County, March 18; Brant County (does not call at Antwerp), April 2; Hada County, April 11—all County Line.

To Rotterdam.—Brant County, County Line, April 2.

To Hamburg.—Beaverhill, Canadian Pacific, March 26.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, Canadian National, March 18.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 24.

To Kingston and Jamaican Outports.—San Bruno, United Fruit Line, March 19.

To Manila, Hongkong, Shanghai and Dalny.—City of Johannesburg, Canada-Far East Line, March 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—A steamer, Elder-Dempster Line, March.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—A steamer, Canada-India Service, March 14.

To Montevideo and Buenos Aires.—Adderstone (does not call at Montevideo), International Freighting Corp., March 17; Tacoma, Canada-South America Line, March 29.

From Halifax

To Liverpool.—Duchess of York, March 15; Montcalm, March 21; Duchess of Bedford, March 29; Montclare, April 4—all Canadian Pacific; Antonia, Cunard-White Star Line, March 22; Incemore, Furness Line, March 28; Manchester Hero, Manchester Line, April 3; Lehigh, Oriole Line, March 25.

To London.—Beaverbrae, March 13; Beaverford, March 20; Beaverhill, March 27; Beaverdale, April 3; Beaverburn, April 10—all Canadian Pacific; Ascania, March 21; Aurania, March 28; Ausonia, April 4; Alaunia, April 11—all Cunard-White Star Line; Liberty, March 13; Waukegan, March 27—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Port, March 14; Manchester Citizen, March 21; Manchester Brigade, March 28; Manchester Hero, April 3; Manchester Producer, April 11—all Manchester Line; Lehigh, Oriole Line, March 25.

To Aberdeen, Newcastle and Hull.—Kelso, March 11; Gitano, April 8—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Boston City, Bristol City and Dominion Lines, March 24.

To Newcastle and Leith.—Cairnross, March 9; Cairnesk (calls at Dundee), March 23; Cairnglen, April 4—all Cairn-Thomson Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, March 16; Norwegian, April 13—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Dakotian, March 16; Sulairia, March 30; Norwegian, April 13—all Donaldson-Atlantic Line.

To Antwerp.—Beaverbrae, Canadian Pacific, March 13.

To Hamburg.—Liberty, March 13; Waukegan, March 27—both American Hampton Roads (call at Hull and Leith); Beaverhill, Canadian Pacific, March 27.

To Copenhagen, Gothenburg and Baltic Ports.—Blankaholm, Swedish-America-Mexico Line, March 9; Pilsudski (does not call at Gothenburg), Gdynia-America Line, March 13; Drottningholm (does not call at Copenhagen), Swedish-America Line, March 23.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., March 9; Magnhild, G. T. Shaw, March 9 and 23; Port Amherst, Furness-Red Cross Line, March 16; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., March 18; Incemore (does not call at St. Pierre), Furness Line, March 28.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, March 12; Lady Drake, March 26—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 9 and 30.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, March 19; Lady Somers, April 2—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Lillgunvor, March 11; Ba, March 25—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Colborne (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, April 4.

To Kingston, Jamaica.—Cathcart, March 12; Cavalier, March 26—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Cingalese Prince, March 14; Japanese Prince, March 28; Silversandal, April 11—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Constructor, Canadian National, March 27.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Highlander, Canadian National, March 17.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, March.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, March 14; Heian Maru, April 4; Hikawa Maru, April 18—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls Nagasaki), March 21; Empress of Japan (calls Honolulu), April 4; Empress of Asia (calls Nagasaki), April 18; Empress of Canada (calls Honolulu), May 2—all Canadian Pacific; Tyn-dareus, April 5; Ixion, May 3—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Kota Agoeng, March 31; Bintang, April 30—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, March 25; Niagara, April 22—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Bear, March 14; Golden Cloud, April 13—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Cape Horn, Canadian-Australasian Line, April 6.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., March.

To London and Cardiff.—A steamer, Reardon Smith Line, April.

To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer). Holland-America Line, April.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—India, March 12; Canada, April 10—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., March.

To Scandinavian Ports.—Buenos Aires, March 10; Annie Johnson, March 20—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Empire Shipping Co., March 23.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Brynje, Canadian Transport Co., March 30.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Tabian, March 9; Silverwillow, April 6—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hardanger, March 17; Brandanger, April 16—both Empire Shipping Co.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

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London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

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Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

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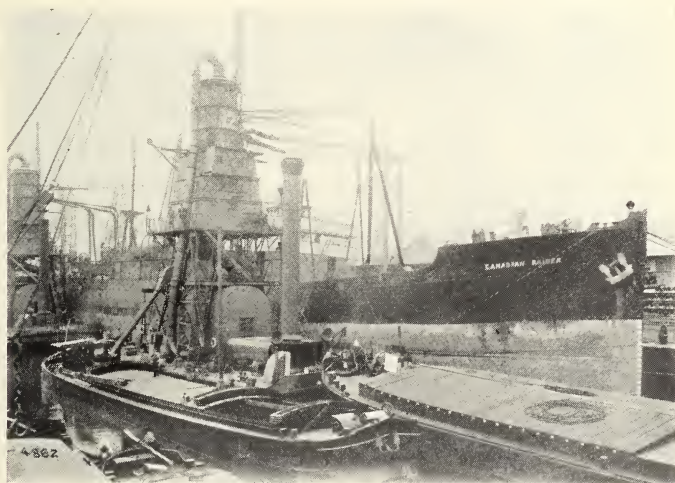
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, March 14, 1936

No. 1676



Transshipment at Antwerp of Canadian Wheat into Rhine
Barges bound for Switzerland.

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, March 14, 1936

No. 1676

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, has arrived in Canada and is making a tour of the principal centres in the interest of Canadian trade with Belgium.

His itinerary as at present arranged is as follows:—

Ottawa March 16 and 17 Vancouver and Victoria . . March 30 to April 8
Winnipeg. March 20

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Winnipeg, Vancouver, and Victoria, with the office of the Canadian Manufacturers Association, and for Ottawa with the Department of Trade and Commerce.

TRADE OF NEW ZEALAND, JANUARY TO SEPTEMBER, 1935

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

(Statistics are on the basis of New Zealand currency, and exclude specie movements, unless otherwise stated)

II

Imports

The total merchandise imports into New Zealand for the nine months ended September 30, 1935, were £26,456,017, showing an increase of £4,047,308 over the comparable total of £22,408,709 for the same months of 1934. It can definitely be stated that so far as general conditions in New Zealand are concerned, the days of depression have passed, and the need for merchants to stock more varied and better-quality merchandise has again arisen. In fact, some of the indications point to "boom" conditions.

The origin of the imports under discussion is much more varied, and spread in amount, than the destination of exports, although the principal suppliers are in virtually the same countries as buy the majority of New Zealand's produce. The United Kingdom was the country of origin of imports to the value of £13,271,769, Australia of £2,897,439, and Canada £1,829,140. Ceylon is credited with £472,240 and India with £496,344, which is easily understood when the volume of tea consumed in New Zealand is considered, likewise the big demand in New Zealand for woolpacks, sacks, and other jute manufactures. British countries supplied in all £19,523,219 of the imports, or 74 per cent.

The balance supplied by foreign countries amounted to £6,932,789, or 26 per cent. The largest foreign suppliers in Europe were: Belgium, £170,284; France, £166,941; Germany, £375,500; Italy, £122,917; Netherlands, £111,976; U.S.S.R., £187,251. Dutch East Indies, which notably supplies to New Zealand fuel oil and petroleum products, and raw sugar, is credited with £1,033,056. Japan was

the only other prominent foreign Asiatic country of supply, with £816,832. The United States, also a large supplier of gasolene, etc., and of a wide miscellany of manufactured products, was the country of origin for £3,248,865 of New Zealand's imports.

PRINCIPAL IMPORTS

The following table sets out some of the principal commodities and those of interest to Canada imported into New Zealand in the nine months ended September 30, 1935, and provides a comparison with the similar period of 1934:—

	Jan.-Sept., 1935	Jan.-Sept., 1934
Total imports	£26,456,017	£22,408,709
Fish	101,034	70,818
Sausage skins	30,624	46,070
Confectionery	47,389	38,987
Wheat	15,097	27,919
Flour	149,096	121,255
Maizena and cornflour	39,121	34,642
Macaroni, etc.	8,089	7,515
Onions	7,381	263
Sugar	491,419	486,199
Tea	488,945	583,234
Whisky	230,747	239,292
Hats, caps, millinery, etc.	119,395	120,092
Hosiery	147,864	210,998
Apparel, n.e.i.	928,871	851,033
Boots, shoes, etc.	383,742	327,649
Drapery, n.e.i.	236,729	230,996
Carpets, linoleums, etc.	358,980	296,213
Cotton piece-goods	1,281,956	1,229,723
Silk and artificial silk piece-goods	763,064	724,348
Woollen piece-goods	539,110	570,372
Motor spirit	825,979	813,851
Paints, colours and varnish	272,840	196,448
Iron and steel—		
Bar, bolt and rod	209,507	184,604
Bolts and nuts	52,649	37,236
Tinware and tin manufactures	253,531	181,520
Fencing wire, plain	134,409	84,931
Hardware, cutlery, and metal manufactures n.e.i.	420,512	327,325
Agricultural machinery	140,994	79,129
Electrical machinery and equipment	918,836	642,915
Wireless apparatus	253,095	296,998
Sewing machines	102,510	64,080
Leather	147,251	135,719
Timber—		
Sawn	149,594	98,402
Other	147,639	51,408
Printing paper, newsprint	247,602	230,778
Printing paper, other	155,659	146,637
Books, papers, and music	303,272	272,807
Stationery	137,319	125,507
Medicinal preparations and drugs, n.e.i.	210,917	205,034
Toilet preparations	131,479	92,799
Motor vehicles	2,292,609	1,351,487
Rubber tires for motor vehicles	547,356	521,499
Soap	40,184	34,194

NOTES ON THE IMPORTS

In the wide range of products given above are many examples of specific increases in quantity and value that show the world trend towards better prices. They also show the swing towards development in New Zealand of secondary industries along with more active conditions in retail distributive channels.

One example of the increase in local manufacturing is the necessity for the import of more sewing machines for the making-up trade, and the same tendency

is noticeable in some other lines of production machinery; at the same time, imports of ready-made apparel, boots and shoes, and kindred lines for retail sale without further alteration, show substantial increase.

An exception to the latter trend is noticeable in hosiery, where the value of imports has fallen. This may possibly be traceable to import of such lines as full fashioned silk hosiery in the grey state, for dyeing and finishing in New Zealand, or it may be to some degree a reflection of the "bare-legged" trend in ladies' fashions.

SOME NOTEWORTHY INCREASES

The increases in imports of carpets, linoleums, paints, varnishes, and hardware lines give evidence of the general improvement in business conditions, with some new construction and much renovation taking place. The same remarks apply to the increased lumber imports. The increase in automobile imports is spectacular—from 8,762 to 15,631 vehicles. At September 30, 1935, there were 192,844 motor vehicles licensed in New Zealand, of which 129,264 were passenger cars, to serve a population of 1,558,140 persons.

In other words, the proportion in New Zealand of motor vehicles to population is among the highest in the world. However, increased imports at the present time do little more than replace vehicles whose useful career could normally be considered as over; at any rate there is not an acute used-car problem so far. The number of vehicles in New Zealand may be contrasted fittingly with a European country, say the Irish Free State, also mainly agricultural, with 50,000 cars reported in use for serving a population of some 3,000,000.

IMPORTS FROM CANADA

Imports from Canada in the nine months of 1935 under review were valued at £1,829,140, which shows an increase of £528,818 or 48 per cent over the equivalent sum for the same period of 1934, when imports were valued at £1,300,322. Specially compiled statistics have been provided by the New Zealand Customs Department covering such imports of Canadian origin. These figures demonstrate that substantial increases over the 1934 period are observable in a large number of items. Decreases were by no means numerous, but occurred in some important commodities.

Among the notable increases in imports from Canada were (increases in parentheses): fish, tinned (£15,540); flour (£21,378); apparel n.e.i. (£6,636); gum boots (£10,301); leather footwear (£9,466); rubber footwear (£9,635); silk and artificial silk piece-goods (£23,992); copper plate and sheet (£6,737); iron and steel pipes (£8,358); fencing wire (£6,625); hardware (£7,274); agricultural machinery (£19,418); calculating machines (£8,191); wireless receiving sets (£5,956); newsprint (£37,104); lorries, trucks, and chassis, completely knocked down (£52,809); passenger vehicles (£182,674); parts of vehicles (£5,763); tires (£22,966). Decreases of note occurred in wheat (£12,321); hosiery (£17,722); and iron and steel bar, bolt, and rod (£4,516).

NOTES ON PRINCIPAL IMPORTS IN THE JANUARY-TO-SEPTEMBER PERIOD OF 1935

The principal products which make up the imports into New Zealand of Canadian goods are briefly reviewed as follows, the figures in parentheses being those for the nine months ended September 30, 1934:—

Provisions of Animal Origin.—1935, £53,017; 1934, £33,770.

Canned fish represented £52,591 of this total, the small balance being sausage casings—probably pork casings, as New Zealand is an exporter of note of sheep casings, as noted in the section on exports [see page 371 in the last number of the *Commercial Intelligence Journal*]. The imports of fish are chiefly canned salmon from British Columbia and sar-

dines from New Brunswick; smaller quantities of pilchards and of canned herring are brought in. Canada provides over 50 per cent of all the fish imports; the total was £101,034.

Provisions of Vegetable Origin.—1935, £132,138; 1934, £118,877.

Wheat—£13,614—and flour—£98,291—are the major items. The reduction in wheat from £25,935 in 1934 is more than compensated by the increase in flour from £76,913.

Beverages.—1935, £1,734; 1934, £373.

The only commodity detailed herein is chocolate, and this may refer in some degree to chocolate coatings imported from Canada for use in confectionery manufacture.

Animal Substances.—1935, £13,515; 1934, £14,106.

The 1935 total includes cattle to the value of £1,019. These were animals shipped from Canada for breeding purposes, mainly beef types. The trade in this type of live stock is assisted to some degree by the fact that Canada is free of foot-and-mouth disease, whereas New Zealand regulations prevent cattle imports direct from the United Kingdom, where that disease exists. The balance of £12,496 comprised fur skins.

Vegetable Substances.—1935, £3,440; 1934, £4,069.

Clover and timothy seed represented £2,193 and starch £1,052. The balance, wood-pulp—£195—was not shown as an item of import in 1934.

Apparel.—1935, £165,245; 1934, £143,770.

The decrease recorded in hosiery to £37,541 from £55,263 in 1934 is probably partly due to lower valuations consequent on imports of unfinished hosiery instead of the fully finished product. Apparel n.e.i.—£12,470 (£5,834)—shows a large increase, partly due to Canadian manufacturers of dresses becoming competitive in this market, with very attractive goods. Canada supplied gum boots—£52,609 (£42,308)—to an increased figure, while in leather shoes—£10,881 (£1,415)—there has been a great improvement, due to somewhat similar reasons as those cited for apparel n.e.i., and to the more determined efforts made by Canadian firms to adapt themselves to the market. Rubber boots and shoes—£28,469 (£18,834)—represent a substantial increase in what is a highly competitive commodity. Canada continues as a substantial supplier of rubber heels and soles—£12,675 (£10,280).

Textiles, n.e.i.—1935, £36,232; 1934, £11,564.

Cotton, linen, and canvas piece-goods—£6,305 (£1,792)—account for part of the substantial increase, but the development of silk and artificial silk piece-goods shipped from Canada—£25,255 (£1,263)—is the major item in textiles. Some of this increase is believed to be due to operations of Canadian firms with close connections making up apparel in New Zealand.

Paints and Varnish.—1935, £1,966; 1934, £1,452.

While some increase was shown here, there is not the large development that one would like to see in this item, and the Canadian proportion of the total trade is small.

Metals and Metal Manufactures.—1935, £165,860; 1934, £128,508.

The substantial increase shown is general throughout the various commodities recorded, with the exception of iron and steel, bar, bolt, and rod—£856 (£5,372)—and electric meters—£5,504 (£7,546). Outstanding items are bolts and nuts—£7,501 (£4,728); copper plate and sheet—£10,856 (£4,115)—of which Canada is now a substantial supplier to New Zealand; iron and steel pipes—£32,736 (£24,378); artificers' tools—£19,337 (£15,708); fencing wire—£18,426 (£11,801); iron wire other than fencing—£40,515 (£37,323); and hardware—£14,037 (£6,763). Staples were less in value—£2,279 (£3,242); and it is known that these are made in New Zealand to a large extent, in some cases out of wire imported from Canada. Nails and tacks—£4,194 (£3,583)—showed some increase, and nails are extensively made in New Zealand from imported wire. Canadian tacks have an excellent reputation for quality, especially among upholsterers.

Machinery and Machines.—1935, £132,626; 1934, £77,554.

Here also almost every item shows a substantial increase. A particularly gratifying one is agricultural machinery—£30,442 (£11,024)—as strenuous efforts have been made with apparent success to introduce Canadian appliances, especially ploughs, in districts where they were not greatly used. Calculating machines and cash registers—£9,421 (£1,230)—show an excellent gain. Storage batteries and parts—£12,412—are segregated for the first time from batteries other than storage—£16,145. Their combined total—£28,557—shows a small gain over the 1934 figure of £27,657. Competition in these lines is keen with domestic and overseas sources of supply, and some Canadian firms have accomplished very good work in maintaining their share in the New Zealand trade.

Electric motors—£5,602 (£1,698)—are believed to be mainly fractional h.p. motors, for which there is a steady demand. Electric ranges—£8,004 (£4,836)—continue to come from

Canada in the face of domestic and overseas competition, which is increased in the case of Canada by rates of customs duty in excess of the British preferential rate, but the successful Canadian suppliers are mainly firms who have paid special attention to the New Zealand market requirements.

Wireless sets—£7,967 (£2,011)—show a healthy increase, offset to some degree by a decrease in other wireless apparatus—£3,671 (£6,906). Other electrical apparatus—£10,239 (£5,575)—shows substantial improvement. Spark plugs—£7,276 (£6,926)—are also largely supplied by Canada. Imports of vacuum cleaners—£2,494 (£615)—indicate some re-entry of Canadian firms to this market, where they were once much more prominent than at present. Washing machines—£5,632 (£2,891)—have increased in use due to persistent efforts on the part of Canadian firms. Insulators and fittings—£4,462 (£1,998)—indicate electric developments where Canadian products are eminently suitable. Other unspecified machinery—£5,001 (£2,525)—also shows a substantial improvement. The progress in these various commodities is a reflection of increased activity in all lines of business.

India-rubber and Manufactures.—1935, £27,666; 1934, £19,441.

Belts and belting n.e.i.—£15,425 (£12,081); hose tubing and piping—£5,647 (£3,971); and other items—£6,593 (£3,389)—are the only categories mentioned, and each shows satisfactory increase. Rubber tires are separately recorded, and will be discussed later.

Leather and Manufactures.—1935, £4,796; 1934, £3,296.

The only item recorded represents leather n.e.i., including solid leather—£4,796 (£3,296).

Timber.—1935, £17,917; 1934, £16,441.

Although only a minor increase has occurred, it is believed that there are possibilities of further development. Building subsidies payable under the New Zealand unemployment relief legislation discriminate against the general use of imported lumber, but if a shortage of domestic lumber develops, there is the expectation in some quarters that building will not continue to be handicapped and that some of the conditions governing the subsidy may be relaxed. The major item herein, rough sawn Douglas fir, accounts for £14,297 (£13,831) of the timber imports.

Woodenware.—1935, £7,413; 1934, £5,818.

Handles for tools—£962 (£1,025)—are believed to represent specialties that Canada can export in competition with the United States. The major demand is for hickory handles, which enter New Zealand free of duty from any country, and Canadian prices have been found too high. Imports of woodenware n.e.i.—£5,665 (£4,627)—account for most of the woodenware division, and Canadian manufactures are becoming more competitive on certain lines.

Earthenware.—1935, £2,969; 1934, £2,276.

Canada provided plate glass—£340 (£75); glass bottles—£1,149 (£505)—understood to be mainly milk bottles; unmounted lenses—£569 (£735); and plaster of Paris—£911 (£961). At one time the demand for plaster of Paris was much more extensively filled from Canada, but Australia is now the chief source of supply, partly due to exchange equality with New Zealand and partly to shorter freight. The Canadian product, however, continues to enjoy a high name for quality, and improvement in demand may occur with restoration of building programs.

Paper.—1935, £316,512; 1934, £275,047.

Imports under this very important classification show a substantial increase, the Canadian share by a larger percentage than that of the total importations from all countries. The principal items from Canada were: cardboard, £20,736 (£18,032); paperhangings, £10,079 (£8,721); newsprint, £236,321 (£199,217). It is noticeable that importations of newsprint from all sources were £247,602 (£230,778), so that Canada enjoyed a percentage of 95 as against 86 in 1934. Increased advertising lineage and size of newspapers, with the return of better times, naturally assisted in the general increase in paper consumption. Other printing paper—£12,345 (£13,556)—showed a small decrease. Wrapping paper—£23,734 (£23,070)—remained steady and competes with domestic production. Canada is prominent in writing paper—£4,375 (£2,537)—but her position was slightly improved. Paper for use in manufacture—£2,385 (£4,044)—and paper, other kinds—£6,492 (£5,863)—made up the balance of items imported from Canada under this heading.

Stationery.—1935, £5,123; 1934, £4,292.

Canada is a very small supplier of stationery lines—printed books, handbills, and black printing ink, and other manufactured stationery valued at £2,680 (£2,903) out of total imports of £137,319 (£125,507) from all countries. Some lines at present being sold may help to improve the position.

Fancy Goods, Jewellery, etc.—1935, £10,680; 1934, £8,872.

Clocks—£4,316 (£4,896)—and watches—£2,220 (£2,462)—make up the major identifiable items. The balance, described as fancy goods—£4,144 (£1,514)—is difficult to analyse, but shows substantial improvement.

Optical, Surgical, and Scientific Instruments.—1935, £4,559; 1934, £4,551.

Photographic materials—£1,899 (£2,779)—showed a decrease, wholly offset by increase in surgeons', opticians', and dentists' appliances—£2,670 (£1,772).

Drugs and Druggists' Wares.—1935, £14,449; 1934, £7,048.

Acetic acid—of which no imports from Canada were recorded in the 1934 period—amounted to £1,286; calcium carbide—£2,264 (£1,772)—enjoyed an increase proportionate with that in total imports of carbide from all countries—£10,476 (£7,633). Perfumery and toilet preparations—£1,904 (£951)—showed some improvement, but the Canadian share in this item is by no means as large as the increased use of such preparations and tariff preference appear to warrant.

Sodium chlorate—£7,146 (£2,340)—is imported mainly as a weed-killer to combat ragwort. The aid of a parasite introduced recently may reduce imports of this chemical. There were no imports of sulphate of ammonia from Canada in the period reviewed, although £753 was credited in 1934. Its main use is as a fertilizer, and the import from Canada is spasmodic, due to price fluctuations as well perhaps as to inadequacy of supply at times in the Dominion. Other medicinal preparations and druggists' sundries accounted for £1,849 (£1,232).

Vehicles.—1935, £654,412; 1934, £389,103.

The spectacular increase under this classification gives one of the best indications of the wave of confidence that has spread over New Zealand. The demand for replacements is very active. Following on customs tariff changes effective January 1, 1935, which reduced the duties on vehicles imported unassembled or completely knocked down, for subsequent assembly in New Zealand, there has been a decided swing to the import of vehicles in the "c.k.d." (completely knocked down) state.

In addition, prominent overseas motor car manufacturers or their New Zealand connections have opened up or are developing assembly plants in New Zealand. This will doubtless result in a reduction in unit value of motor vehicles imported, which will not contain so much in the way of overseas assembly and finishing costs, but may also cause reduction in retail prices which will be reflected in increased purchases.

The new market developed in New Zealand for upholstery materials, paints, lacquers, and concomitant parts and supplies is therefore worthy of exploitation, although the use of domestic products of this nature will create some further degree of competition. In other cases, substitution of domestic materials will be fostered, and a manufacturer overseas who, for instance, supplies a certain automobile manufacturer with floor carpeting will most likely have little or no chance of competing with a New Zealand manufacturer who can supply the assembly plant with a suitable equivalent or substitute.

In examining the various products under the heading of "vehicles," it is noticeable that Canada still supplies goods described as bicycles and parts thereof—£2,189 (£583)—and has made progress in the nine months under review. Lorries, trucks, vans, and buses, and chassis therefor, c.k.d.—654 vehicles, £86,784—may be combined with chassis for lorries, other kinds—10 vehicles, £1,322—making a total of 664 vehicles valued at £88,106, to compare with the imports from Canada of trucks, etc., in 1934 numbering 299 valued at £36,017. The unit values in the respective periods—£133 (£127)—do not of course appear to bear out the preceding surmises regarding additional labour likely to be added in New Zealand and possibly lower unit prices in country of origin. In any case, trucks have been most frequently imported unassembled, so that the increase in unit value is most likely a result of 1935 models being slightly higher in initial cost than those of 1934. The same situation is later discussed under passenger vehicles.

Imports of passenger vehicles other than buses from Canada were 2,075 units valued at £349,532, from January to September, 1935, compared with 1,038 units valued at £166,858 in the equivalent period of 1934. Thus importations from Canada increased 100 per cent, which is somewhat better than the percentage increase in the total importation of all classes of motor vehicles from every country of 78 per cent—15,631 units compared with 8,762 in 1934. The value of passenger vehicles was £168 per unit compared with £161 in 1934. Imports of completely knocked-down cars from Canada had not really begun, and the unit price increase is believed to be largely due to importations of more expensive models than in the less prosperous preceding period.

Parts of motor vehicles, including parts of oil engines therefor, came from Canada to a value of £11,202 (£5,439) and under-carriage springs to the extent of £1,208 (£323), both conforming to the general increase throughout this item.

Pneumatic rubber tires and inner tubes—£201,316 (£178,350)—showed a large increase, doubtless accounted for to a degree by the greater use of cars, which is also evidenced by some increase in the amount of motor spirits imported, but imports of tires from Canada are much greater proportionately than the general figures—£547,359 compared with £521,499 in 1934.

Miscellaneous.—1935, £56,819; 1934, £26,021.

The identifiable items in this category include brushes, brushware, and brooms—£3,685 (£907)—which show a notable increase; roofing materials n.e.i.—£1,214 (£1,401); and soap, all kinds—£7,216 (£7,170). Other items—£44,147 (£15,286)—probably included some interesting commodities which were not being imported in quantities sufficiently large heretofore to be detailed, but the healthy increase is worthy of notice.

GENERAL

In commenting on the large increase in the total of general exports from Canada to New Zealand, notice might reasonably be taken of the progress made by certain Canadian firms whose products have been designed to suit New Zealand requirements. A creditable and improving standard of excellence is observable in most Canadian branded lines offered in a retail way, and the success met with by such Canadian products is well merited.

The possibility of exchange alteration as a matter of Government policy is present in the minds of many importers, but imports from the Dominion will not likely be more affected than those of other countries, and if a downward revision takes place, the position would be that much more favourable than at present.

New Zealand is confident that the country is on the verge of a period of prosperity, and there is less hand-to-mouth purchasing than was formerly the case. In consequence, the opportunity of further increasing exports of suitable Canadian products to this market is one which should be more fully developed.

Interested Canadian firms and organizations may obtain more complete details of the imports into New Zealand of Canadian origin for the nine months ended September 30, 1935, on application to the Department of Trade and Commerce, Ottawa (quoting file No. 18806).

LONDON CANNED FRUITS MARKET IN 1935

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, February 10, 1936.—The imports of canned fruit preserved in syrup into the United Kingdom in 1935 totalled 3,691,000 cwts. valued at £6,057,000, according to the annual statement just issued by the Imperial Economic Committee. This is an increase of 7 per cent above the similar figure in 1934, and indicates the continuance of a steady rise in imports of these goods since 1930. Likewise, during 1935, there was a recovery in imports of fruit and fruit pulp preserved without sugar. The total amounted to 993,000 cwts. valued at £1,174,000, an increase of 21 per cent above the figure for 1934.

An interesting comparison showing the rapid and steady increase in the use of canned fruits in this country since 1909, as represented by the import figures, is also given in the report of the Imperial Economic Committee. This shows that in the period 1909 to 1913 the imports averaged 372,000 tons each year; by 1933 the volume had risen to 2,044,000 tons, in 1934 it had reached 2,136,000 tons, and in 1935 it was 2,343,000 tons, which was the highest figure recorded.

The following table gives in detail the imports of canned fruits into the United Kingdom by principal countries for the years 1934 and 1935. The figures for Canada are taken from those officially compiled by the Dominion Department

of Agriculture, while all others represent the reported arrivals in the United Kingdom from the countries indicated:—

IMPORTS OF CANNED FRUITS INTO THE UNITED KINGDOM, 1934 AND 1935

Cases									
	Apples	Apricots	Peaches	Pears	Pineapples	Fruit Salad	Loganberries	Cherries	Grapefruit
Canada ¹ —									
1935.. . . .	188,050	1,020	18 675	236,217	5	15	21,722	16,135	3,167
1934.. . . .	156,951	5	5,364	221,287	.....	17	55,342	19,103	5,250
Australia—									
1935.. . . .	6,103	154,297	582,415	311,717	42 815	4,638	5	.....	21
1934.. . . .	375	131,406	673,056	363,676	63,194	4,630	.....	378	.....
South Africa—									
1935.. . . .	.....	43,940	.....	27,046	7,679	3,334	.....	.....	100
1934.. . . .	.....	66,789	.....	20 616	8,077	9,023	.....	.....	188
Malaya—									
1935.. . . .	.....	.....	.....	.....	1,622,822	.....	.....	.....	.....
1934.. . . .	.....	.....	.....	.....	1,699,141	.....	.....	.....	.....
United States—									
1935.. . . .	417,462	441,534	1,623,939	1,503,914	163,825	733,503	145,909	14 654	824 208
1934.. . . .	282,870	296,500	1,269,976	1,443,107	152,726	785,420	108,561	8,232	585 708
Other Countries—									
1935.. . . .	30	10,470	372	.....	56 223	.....	.....	105,161 ²	2,651
1934.. . . .	7,431	24,094	5,193	50	9,787	.....	.....	98,119	5,538
Totals—									
1935.. . . .	582 301	650,766	2,213,329	2,060,072	1,893,364	741,475	171,842	127,942	829,352
1934.. . . .	433,416	518,794	1,952,265	1,995,537	1,932,925	799,260	180,533	122,180	594,589

¹ Figures for Canada were compiled by the Dominion Department of Agriculture; those for other countries are taken from the report of the Imperial Economic Committee, London. ² Chiefly Italy.

The foregoing figures, which cover the principal fruits being regularly imported, show that the United States continued during 1935 to be the leading source of supply for all varieties with the exception of pineapples. At the same time it will be evident that the fruit-producing sections of the Empire have been able to increase their shipments and to find a steadily expanding market in this country. Shipments from British Empire countries in 1935 amounted to 94 per cent more than the average from these countries in the 1926-30 period. If Malayan pineapples, which represent such a large percentage of the Empire trade, are not included the percentage rise in Empire shipments is even more noteworthy. This is especially true of Australia and Canada. Imports from the former in 1935 were double those for 1930, while in the case of Canada the figures for the past year were nearly six times above those for 1930, according to the figures available.

Out of the total imports of fruit in syrup in 1935, amounting to 3,691,000 cwt., the Empire supplied over 38 per cent.

IMPORTS FROM CANADA

In 1935 there was an increase of about 10 per cent in shipments of canned fruits into the United Kingdom from Canada as compared with the previous year. All principal varieties were represented in the increases with the exception of loganberries and cherries. Imports of pears, which hold the leading position, rose from 221,000 to 236,000 cases and comprised 41 per cent of the total from Canada in 1935. Canned apples, with 188,000 cases in 1935 as against 156,900 in 1934, were second in importance, followed by plums, pectin, and loganberries. Developments of special interest during the year were the substantial shipments from Canada to this country of canned strawberries and strawberries preserved in SO₂, other small fruits, and rhubarb.

CANNED APPLES

During 1935 canned apples reached the United Kingdom in larger volume than for some years, the total being 582,201 cases, an increase of nearly 150,000 cases as compared with 1934. In this growing trade the United States remains

in the leading position, shipping over 417,000 cases in 1935 as compared with 282,000 in the previous twelve months. Shipments from Canada increased during the period by some 20 per cent to a total of 188,000 cases. The past three years has shown a steady and consistent rise in imports of these goods from Canada. Quality has greatly improved during the period, and there appears to be an opportunity for the development of a large market.

The existing tariff preference (Canadian apples being free, while foreign are dutiable at 25 per cent) has been of inestimable benefit in the development of the trade. While many Canadian packers have not yet been able to supply apples of a quality coconsistently equal to that of the Oregon product, due possibly to the varieties used, there has been a noticeable improvement during the past year or two. Prices have fluctuated somewhat, ranging from 14s. to 18s. c.i.f. per twelve gallon tins for American, while Canadian have generally been slightly higher, absorbing most of the duty protection. Had larger quantities of Canadian apples of suitable quality been available, it is thought that sales could have been effected without difficulty at around 16s. or 17s. c.i.f. London. Aside from Canada and the United States there are no important producers of gallon apples, although in 1933 and 1934 small experimental shipments were received from both Russia and Tasmania.

APRICOTS

The imports of apricots totalled slightly over 650,000 cases for the year, an increase of more than 130,000 cases above the 1934 figure. The United States was the chief source of supply in 1935 as in 1934, shipping 441,000 cases and 296,000 in the two years respectively. Canada seldom is a factor in this trade and in 1935 supplied only 1,029 cases. On the other hand, imports from Australia are becoming increasingly important. In 1935 she shipped over 154,000 cases to the United Kingdom as compared with 131,000 in 1934 and 101,000 in 1933. South Africa's shipments of apricots to this market have fluctuated widely, the total in 1935 being about 44,000 cases, a decline of nearly 25,000 from the 1934 figure.

CANNED PEACHES

Similarly the trade in canned peaches from Canada is relatively small, being only 18,675 cases out of a total importation in 1935 of over 2,200,000 cases. Canada's share, however, showed a substantial increase, and the general forward tendency may be expected to continue, but the difference in appearance between Canadian canned peaches and the products of other supplying countries will necessarily restrict their sale to special classes of trade for some time to come. The largest importations in 1935, as in 1934, were from the United States, which supplied respectively 1,600,000 cases and 1,200,000 cases. Imports from Australia, which is the only other important shipper to the United Kingdom, declined slightly in 1935 to 582,000 cases from 673,000 in 1934, but were still well above the total of 327,000 cases shipped in 1933. There has been comparatively little fluctuation in peach prices during the year, although towards the close they were generally weaker, when California choice quality 2½'s were being offered on spot in London at around 8s. per dozen with a tendency towards lower prices.

CANNED PEARS

The importation of canned pears was also greater in 1935 than during the past two years, the total being 2,060,000 cases against 1,995,000 in 1934 and 1,714 cases in 1933. Of these quantities the United States, which remains the chief supplier, shipped 1,503,000 cases, and only slightly less in 1934 and 1933. Australia continued to hold second leading position with 311,000 cases, while Canada was third with 236,000 cases. The Canadian figures represent an increase from 1934, when the total was 221,000 cases.

Pears are the principal canned fruit exported from Canada to the United Kingdom and represent a larger volume than any other Canadian canned product. For the Keefer type of pear an established market has existed for a long time, based largely on price considerations. The higher grades of fancy pears, however, find the same difficulties in this market as Canadian peaches. While their flavour is generally admitted to be equal to that of any other products on the market, appearance has always been a serious handicap, restricting general demand. This disadvantage will undoubtedly be overcome in time, but in view of the restricted volume of these pears available for export from Canada there is little likelihood of any general effort to increase sales in the immediate future on the British market. Towards the close of 1935 the quoted prices for choice quality California pears was about 8s. 9d. per dozen on spot in London. This price was fairly constant throughout the year, being affected only temporarily by exchange fluctuations and at one time by the report of a short crop.

SMALL FRUITS

In the group of smaller fruits reaching the market, loganberries and cherries are of chief importance, although during the past year, owing to a short English crop, there was a good movement of plums. During 1935 shipments of loganberries from Canada proved disappointing. The total importation from all sources in 1935 was 171,000 cases, which was only some 8,000 or 9,000 cases less than in 1934. Canadian shipments, however, which totalled over 55,000 cases in 1934, fell to 21,000 cases in 1935, the lowest figure for several years. On the other hand, the United States, which is the only other supplier of importance, was able to increase her shipments from 108,000 cases in 1934 to nearly 150,000 cases last year. The canning of loganberries in Canada is largely localized in British Columbia, so that weather conditions may have affected the crop and been responsible for the decline. During the year there were numerous inquiries for Canadian loganberries, which have a very good reputation, but as supplies were not forthcoming, buyers turned to the United States product.

The relatively low prices which continued to rule in 1935 were probably a further reason why Canadian packers remained out of the market. Earlier prices for new season's pack from Oregon were around \$1.17 per dozen for choice quality 2's, but due to reported short packs, prices rose later, and towards the close of the year were around \$1.27. This figure represents a substantial improvement over prices quoted last spring and summer.

OTHER VARIETIES AND PRODUCTS

In addition to the larger fruits, Canada supplied a variety of smaller berries, as well as pectin and other products, during 1935. The quantities shipped of most of these were relatively small and are subject to wide fluctuations each year. Comparative figures of imports from other countries are not available, but for 1935 the number of cases of each imported from Canada was as follows, figures for 1934 being shown in parentheses: plums, 52,512 (21,377); strawberries, 5,134 (3,093); fountain fruit, 580 (328); raspberries, 148 (12); bilberries, 100 (nil); blueberries, 26 (1,488); pectin, 27,405 (28,606); rhubarb, 2,251 (3,193); apple sauce, 1 (25).

The increase in the imports of plums in 1935 is attributed largely to the short production in the United Kingdom during that year. Shipments of strawberries were greater for the same reason. In addition to the quantities mentioned above, approximately 5,000 barrels or casks of strawberries preserved in SO₂ were imported from Canada in 1935. Most of these went to the English jam trade. The short Dutch crop was an important factor in this development. Besides the quantity of pectin already referred to, there were shipped from Canada

during the year some 10,700 barrels. This compares with about 3,400 barrels in 1934.

MARKET PROSPECTS

The immediate outlook for Canadian canned fruits is uncertain. In the larger fruits the market is dependent on developments in the United States. If offerings from that source are moderate and prices steady for the coming season, the whole trade should benefit. Lately, however, numerous offers have reached the market at reduced prices, and the uncertainty which has naturally developed tends to restrict trade. In the smaller fruits, such as plums and strawberries, much depends upon the English crop during 1936. The winter so far has been unusually wet, but of course there can be no indication yet of crop prospects for the year.

GRAIN TRADE OF BRISTOL, 1935

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 21, 1936.—The statistics published by the Port of Bristol Authority show that the volume of grain imported during 1935 was as high as in any year since 1931; compared with 1934 a marked advance was recorded. In all 937,938 tons of grain were imported through Bristol compared with 837,822 tons in 1934. Imports from the Argentine suffered a serious decline, while imports from Canada increased somewhat. The most striking increase, however, occurred in imports from Southern Europe—from 46,489 tons to 131,828 tons. Imports from Argentina still bulk large in the trade—440,549 tons in 1935, or over 47 per cent of the total, compared with 453,034 tons in 1934. Receipts of all grains from Canada in 1935 aggregated 189,562 tons, or over 20 per cent of the total, compared with 173,304 tons in 1934—a slightly higher percentage.

Particular attention might be directed to the steadily increasing volume of imports from Northern Europe. The total for 1935 amounted to 45,530 tons, the highest on record since 1930. The interesting feature about the imports from this geographical area is that after the sharp decline in 1931 to only 7,824 tons the total has annually increased since that year. In successive years the totals increased to 13,496 tons in 1932, 15,802 tons in 1933, 22,835 tons in 1934, and 45,530 tons in 1935.

The following table shows the imports of grain into the docks of the Port of Bristol Authority during the past two calendar years, by countries from which the grain has been shipped:—

	1934 Tons	1935 Tons
Total	837,822	937,938
Southern Europe	46,489	131,828
Northern Europe	22,835	45,530
Asiatic ports in Mediterranean	522	.....
India and Persian Gulf	79,610	62,339
Northern Africa	99	106
South Africa . . . . .	.....	.....
Canada—		
Atlantic ports	95,285	113,549
Pacific ports	77,019	76,013
United States—		
Atlantic ports . . . . .	.....	.....
Pacific ports	13,694	13,154
South America	453,034	440,549
Australasia	49,235	54,870

WHEAT

In recent years, in accordance with the tendency to concentration of production, there has been a steady consolidation of milling in the United King-

dom, particularly at the principal ports. In the West of England there has been a concentration of flour mills at Avonmouth, to take advantage of the grain handling and dock facilities of the Port of Bristol Authority. Similarly, other large mills have been erected at various other docks on the Bristol Channel and for the same reasons—adequate grain handling and flour- and feed-distribution facilities. As far as the Port of Bristol is concerned, the completion of the large flour-milling units has not made for any striking increase in the volume of wheat coming into the port. This may be due in part to the growing tendency for small country mills, which ordinarily might have been expected to import their grain supplies through Bristol, to cease their flour-milling operations, and therefore their demand for wheat, to the detriment of the grain trade and the imports of the port.

During 1935 the total quantity of wheat imported into Bristol amounted to 356,240 tons compared with 331,258 tons in 1934. A serious decline in the volume attributed to Argentina is recorded, the decline being from 113,231 tons in 1934 to 80,845 tons. Imports of wheat from Canada show little change, but while there was a slight increase reported in the quantity imported from Eastern Canadian ports, the total declined from 155,724 tons in 1934 to 153,313 tons in 1935.

The following table shows the imports of wheat into Bristol during the past two years, by countries of shipment, and illustrates clearly the changes that have occurred in this important trade:—

	1934 Tons	1935 Tons
Total	331,258	356,240
Northern Europe	12,501	39,024
Southern Europe	11,286	29,265
Canada—		
Atlantic ports	75,090	87,939
Pacific ports	70,634	65,374
South America	113,231	80,845
Australasia	48,516	53,793

PRICE RANGE

The wheat market of the West of England at the beginning of 1935 opened listlessly, and the smaller shipments then being made into the area had little effect in raising prices. As usual at the beginning of the year, there was some apprehension as to the possible effect of changes which might occur in the crops of Argentine and Australia. Trading became more active in February, a particular interest being manifested in Australian shipments for the Orient. Argentine selling was keen. By March the interest of the Orient in Australian wheat showed no sign of fading, but Canadian offerings in this area, coupled with a slightly depreciated sterling rate of exchange, were very firm.

A determination on the part of the Argentine to hold wheat for better prices became most pronounced, but despite these influences increases in shipments into the southwest of England were important. In May interest was revived in the value of Manitoba wheat; at the end of June the price of No. 3 Manitoba was about 6s. 9d. per cwt. Very little Argentine wheat was offered in that month, and arrivals were much slower. A poor crop outlook in France eased the situation in so far as flour competition from that country was concerned. Crop forecasts during July resulted in a price advance, but as Russia started selling the upward movement ceased. By July 10 the average quotation for No. 3 Manitoba had declined to 6s. 4d. per cwt. However, considerable interest was still being displayed in Canadian wheat and an upward movement occurred in prices. Prices were well supported up to September, but owing to declining shipments a greater interest was paid to stocks and supplies in nearby positions.

A feature of the market at this time was its comparative steadiness, while very little European wheats were being offered. At the end of September the

average value of No. 3 Manitoba had increased to 8s. per cwt. There was, however, a small demand for some Russian wheatts and sales were made at 27s. 3d. a quarter c.i.f. To this price the usual duty of 10 per cent must be added.

Early in October the political situation in the Mediterranean focussed considerable attention on wheat. Furthermore, the strength of the market for Argentine wheat assisted in broadening the demand for Manitobas and also induced a better interest in Australian. At this time the United Kingdom statistical position was very strong. For instance, it was reported that there were only 87,000 quarters in the public warehouses at Liverpool compared with 688,000 quarters at the corresponding period in 1934. Despite these influences, however, prices declined. By the end of October considerable attention was attracted to Canadian wheat. Wheat prices declined somewhat, but shortage in nearby parcels made for firm premiums being offered for prompt deliveries. Millers were not showing much interest in c.i.f. quotations, despite pressure to sell Canadian wheat, with reduced offerings of Russian.

By the middle of November the price of No. 3 Manitoba had declined to 7s. 2d. per cwt. At the end of the year the tone of the market was very steady, even after heavy buying of Canadians, with No. 3 Manitoba at 7s. 10d. per cwt., and Australian proportionately less at 30s. 6d. per quarter.

FREIGHT DIFFICULTIES

During the last quarter of the year the trade was experiencing difficulty in securing freights from Australia to Bristol. At the close of the year Argentine prices were comparatively too high at 34s. per quarter, while there was no interest in French at 25s., although several parcels were disposed of at 24s. early in December. The wheat market in Bristol at the end of 1935 was steady, with a tendency for prices to advance, and interest being particularly directed toward the future.

BARLEY

Imports of barley into the port of Bristol during 1935 were the highest for many years. The total amounted to 223,727 tons compared with 180,626 tons in 1934. The principal changes occurred in the imports from Southern Europe, which increased from 25,372 tons to 99,135 tons, while imports from both India and Persia, and from Argentina, declined appreciably. The total volume credited to Canada was only 14,781 tons, compared with 15,560 tons in 1934.

The following table shows the imports of barley into Bristol from principal sources of supply during the last two calendar years by countries of shipment:—

	1934 Tons	1935 Tons
Total	180,626	223,727
Northern Europe	7,870	4,671
Southern Europe	25,372	99,135
India and Persian Gulf	77,321	59,819
Canada—		
Atlantic ports	13,131	11,805
Pacific ports	2,429	2,976
United States—		
Atlantic ports .. . . .	.....	.....
Pacific ports	13,694	13,152
South America	40,405	32,067
Australasia .. . . .	.....	102

Conditions in the barley market of the West of England at the beginning of 1935 were quiet, with some uncertainty as to the United States competing with Europe for Argentine supplies. There was very little competition either from the Danube or from Russia. This quiet condition continued even on a report of a comparatively unsatisfactory Argentine outturn.

There was only a slight demand for imported barley in March, and prices were very low. The Argentine crop was good, and weather reports for Europe were not such as to occasion higher prices. Prices declined further in May, but more interest was taken in the Plate.

As mid-year approached barley prices continued to fall and trading was negligible. Prices for Persian were as low as 13s. 4½d. a quarter at Bristol, but towards the end of July a firmer tendency was apparent. Russia and the Argentine were not keen sellers, and the trade in English barley was also very quiet. In August the Russians offered more freely and, lowering their price to 13s. 10½d., did a fair trade, the barley being of excellent quality.

Early in September a better trade was done in Canadian barley at 15s. In some quarters it was believed that the slowness in trade was due to the pending application for higher duties on barley, which was still being considered. In October there were smaller purchases of overseas barley. Russian barley advanced to 15s., and Poland appeared as a free seller. No. 2 Canada Western barley was being offered freely in October-November at 15s. 6d., and some No. 5 Canada Western was offered at 14s. c.i.f. Russians declined to 14s. 3d., and in December purchases of overseas barley continued very quiet, with Polish and Persian barley in better favour. Some parcels of Russian barley were sold to Bristol at 14s. in December, and it was reported locally that Canadian offers had been withdrawn.

Toward the end of December the Bristol market for imported barleys continued very steady and quotations for most descriptions advanced. There was a demand for Persian at 14s. 10½d., while Russians were able to advance their prices to 15s. Argentine barley rose to 15s. 11d., but this quotation was of no interest to buyers as 1936 approached.

MALTING BARLEY

The samples of malting barley which were offering when 1935 opened were below brewers' standards, and only occasionally could 40s. a quarter be obtained for English barley. In February the demand for native malting barley improved, with a continuing scarcity in the finer grades. Some attention was also given to offerings of high-grade Argentine barley. In May the market for overseas malting barley was quiet, and trade in English small at nominal prices. Conditions continued unchanged throughout the summer, but in early September a better demand was felt for English malting barley, trade being done at 45s. Toward the end of September the market improved considerably, and English malting barley was in excellent demand. Better parcels were disposed of for 55s. per quarter of 448 pounds, but it was reported that the bulk of the business was done as low as 30s. to 35s.

As is usual in the autumn, superior Californian brewing barley was creating some interest, and for November-December shipment was being quoted at 25s. c.i.f. per quarter of 448 pounds. This quotation declined during November to 24s. 6d., and the market was quiet but steady. There was rather more interest in English malting barley early in December, and the quotation for Californian declined to 23s. 6d. The price for high-grade English malting barley in December was 50s. Toward the end of the year prices and demand continued steady, with superior Californian advancing to 25s., while Australian No. 1 Chevalier was again in the market, being quoted at 23s. for December-January shipment.

OATS

The imports of oats into the port of Bristol during 1935 were of an unusual character, since all the oats were of Empire origin. The imports aggregated 21,734 tons, compared with 15,880 tons in 1934 and 34,382 tons in 1933. The

decline, compared with what was considered a normal volume of imports of oats up to 1933, can only be attributed to the manner in which the English farmer has responded to the efforts of the Ministry of Agriculture and other bodies to increase cereal production. This has had the dual effect, when coupled with the duty now levied on foreign oats, not only of increasing the domestic production but of completely excluding, from the Bristol market at any rate, oats grown outside the confines of the British Commonwealth. With the exception of a few tons of oats imported from Australia and New Zealand, all the oats imported through Bristol in 1935 were grown in Canada, as can be seen from the following table of imports for the last two calendar years:—

	1934 Tons	1935 Tons
Total	15,880	21,734
Northern Europe	1,367	.....
Southern Europe	2,412	.....
Canada—		
Atlantic ports	7,060	13,689
Pacific ports	3,956	7,663
South America	1,085	.....
Australia .....	.....	96
New Zealand .....	.....	286

As 1935 opened some parts of the West of England were short of supply of oats, but nevertheless the demand was quiet, with only slight offerings from Canada. The demand for oats improved in February, not only for home-grown oats but for Canadian as well. With the advance of summer the demand declined, and by mid-year the interest in Canadian oats was considerably less. During August English oats were only in small supply and prices were accordingly firm, but there was still only a small interest in Canadian. The demand for home-grown oats increased slightly in September, when larger quantities were available to meet it. Canadian oats were being imported in better volume, but trade was still comparatively quiet.

During the autumn English oats continued to keep the market in adequate supply and inquiries for imported oats were limited. Canadian oats, however, became more prominent as prices tended to advance and a fair business was done at 14s. 10½d. per quarter. Supplies of Argentine oats were by this time apparently exhausted, but as none was being imported through Bristol, they were not affecting the market in the West of England. Native oats continued steady until early November, when prices advanced to 6s. 3d. per cwt. This advance was apparently on account of the fact that the weather in the West of England was bad for threshing, and local prices were higher than the average for the country. A better trade was then possible with Canadians, for which prices had declined slightly to 14s. 4½d., perhaps because arrivals were in greater volume. During one week in November 21,000 quarters of Canadian oats arrived in Bristol. The demand for native oats in early December was irregular, and shipments from Canada continued to be important in the face of advancing prices. As this demand for imported oats increased, prices continued firm. Toward the end of the year, however, the interest in imported oats declined, but prices of Canadian oats remained firm, perhaps owing to the fact that supplies at United Kingdom ports were comparatively small.

GRAIN IN STORE

The Bristol Channel and West of England Corn Trade Association reports stocks of grain in store in Bristol and Avonmouth on January 1, 1935 and 1936, as follows:—

	1935	1936
Wheat	169,628	54,457 quarters (of 496 lbs.)
Malting barley	18,129	14,914 quarters (of 400 lbs.)
Grinding barley	59,636	99,454 quarters (of 400 lbs.)
Oats	10,932	23,462 quarters (of 320 lbs.)
Maize	97,715	20,850 quarters (of 480 lbs.)

IMPORTS OF TIMBER INTO BRISTOL IN 1935

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 19, 1936.—During 1935 a greater quantity of timber and wood goods was imported into Bristol than in the previous year. The total amounted to 132,477 tons compared with 129,460 tons in 1934. As in 1934, the Soviet Union was the origin of the largest individual import, being credited with 34,787 tons against 31,978 tons in 1934. Sweden occupies second place with 27,983 tons in 1935 compared with 27,471 tons in the year previous. Canada is again in third place of importance, but, while imports from the Pacific Coast increased considerably, there was a marked decline in arrivals from Atlantic ports. The total imports from Canada amounted to 20,005 tons in 1935 compared with 18,789 tons in the preceding year.

IMPORTS

The following table shows the imports of timber into Bristol from the principal sources of supply during the past two calendar years, according to countries of origin:—

	1934 Tons	1935 Tons
Total	129,460	132,477
Norway	7,836	7,583
Sweden	27,471	27,983
Finland	16,753	17,138
Soviet Union (North)	31,978	34,787
Latvia	1,115	592
Danzig	4,376	566
Poland	2,951	3,523
Germany	601	119
Canada—		
Atlantic ports	10,102	9,492
Pacific ports	8,687	10,513
United States—		
Atlantic ports	16,771	18,886
Pacific ports	427	632

The greater volume of imports of wood goods and timber into the port of Bristol during 1935 reflects the continued improvement in conditions, particularly in the timber-consuming trades. Throughout the entire area new housing schemes of various public authorities were put into effect in several centres of population, while the construction of public buildings on a large scale was general.

The great increase in industry generally also added to the widening demand for timber of all descriptions, either for use in industry or as a packing material. The furniture trade particularly had a busy year, but there was some complaint of the inability of manufacturers to secure the supplies of Canadian materials that had been specified for.

FLOUR MARKET CONDITIONS IN THE WEST OF ENGLAND IN 1935

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, February 19, 1936.—During 1935 imports of wheat flour into the port of Bristol amounted to 17,800 tons, a slight reduction compared with the 18,700 tons imported during 1934. With the striking exception of the imports from Australia, decreases were recorded in imports from practically all other flour-milling centres. As the following table shows, a remarkable increase occurred in the quantity of wheat flour imported from Australia, from 3,600 to 5,020 tons. This increase has been attributed not so much to an increasing local market as to the fact that a better steamship service was operating between Australia and Bristol.

IMPORTS

Imports from each country for 1934 and 1935 into Bristol were as follows:—

	1934 Tons	1935 Tons
Germany	950	710
Holland	360	.....
Belgium	1,140	720
France	990	850
Italy	1,520	950
Canada—		
Atlantic ports	9,140	8,870
Pacific ports	670	440
United States—		
Atlantic ports	150	.....
Pacific ports	30	40
Argentina	150	200
Australia	3,600	5,020
	18,700	17,800

PRICE RANGES

At the beginning of 1935 the market for flour in Bristol was quiet and deliveries were very slow. Business in South Wales in January was particularly dull, and nowhere was any great activity being reported in imported flours. The demand for home-milled flour continued slow, but as the prices of wheat advanced during the early months better contracts were expected for forward delivery and the rate of import of Canadian flour tended to increase.

Toward the end of March the Wheat Commission increased the levy on flour from 4s. to 4s. 6d. a sack as prices of wheat had fallen. The price of English flour advanced 1s. in April to offset not only a firmer wheat market but a declining interest in mill-feeds as well. Forward contracts were accumulating in some volume, particularly for delivery to bakers. Imports, however, slowed down somewhat, but prices remained steady. English-milled flour quotations fluctuated considerably during the early spring, and in May it was reported that an improvement in the bakers' demand was noted, when a reduction of 6d. was made in the price of flour.

The demand for imported flour, particularly Canadian and Australian, continued to be quiet during May. During the month of June flour prices were again reduced, but the demand failed to improve, and simultaneously there was only a small inquiry for Canadian flour. Although wheat prices advanced in July and the prices of Canadian flour responded almost immediately, there was hardly any reaction noticed in the trade—in fact as the month ended the flour trade became even quieter. After the August holiday the bakers' demand for home-milled flour improved remarkably, but prices of English-milled flour remained stationary. The prices of Canadian and Australian flour showed a rising tendency and consequently the demand was very quiet.

The rising tendency in wheat prices continued until the end of August, and on September 29 the Wheat Commission were enabled to reduce the quota payment on flour by 6d. (to 4s. a sack). This reduction was also made possible by the higher prices then being enjoyed by British wheat growers. By this time supplies of flour in bakers' hands had reached very low levels, and on October 1, even with the highest prices of the year, the flour market had a firmer tone for both English and Canadian flour. The volume of trade, however, if anything, was smaller.

During November Canadian prices began to fall appreciably, but any real demand for such flour remained conspicuously absent. Local flour prices continued firm, but conditions in the flour market were quiet in the West of England, as they were practically all over the Continent.

In December bakers took delivery of flour on forward contracts, but little new business was being secured by English mills. The price of Canadian flour

was reduced still further, but trade continued quiet—in fact, in no part of the West of England was any particular volume of business being done in Canadian flour. There were better deliveries toward the end of December, however, and just before the year closed the price advanced slightly, but the interest which importers could develop in Canadian flour was slight indeed; and was reflected only in the moderate demand there was felt in some quarters for flour already in England.

AVERAGE FLOUR PRICES

The following table shows the average prices of straight-milled English flour at Bristol, and of Canadian export patent flour, at different dates throughout the year:—

	Straight-milled English Flour		Canadian Export Patent Flour	
	s. d.	s. d.	s. d.	s. d.
January 2	22 0	—23 0	25 0	—27 6
February 1	22 0	—23 0	25 6	—28 0
March 1	22 0	—23 0	25 0	—27 0
April 1	24 6	—25 6	27 0	—29 6
May 1	25 6	—26 6	27 0	—30 0
June 1	25 0	—26 0	25 0	—27 6
July 1	24 6	—25 6	25 0	—27 6
August 1	24 6	—25 6	25 9	—28 0
September 1	24 6	—25 6	26 6	—29 0
October 1	29 0	—30 0	29 6	—32 0
November 1	27 0	—28 0	28 0	—30 6
December 1	26 0	—27 0	28 6	—30 9
January 1	28 0	—29 0	29 0	—31 3

Marketing conditions for imported flour during 1935 were almost as difficult as they were in immediately preceding years. However, it became somewhat apparent as the year progressed—despite the effect of the changes made by the Wheat Commission in the quota levy on wheat flour on the prices of flour being held in store—that conditions affecting a wider sale of Canadian flour were becoming easier. Circumstances such as advancing prices for Argentine wheat tended to divert the attention of flour consumers not only towards flour milled largely of other wheats, but also to imported flours.

SOUTH AFRICAN MARKET FOR WOMEN'S FOOTWEAR

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

IMPORTS

Cape Town, January 29, 1936.—The following table shows the imports of women's leather footwear into South Africa for the years indicated, supplying countries being listed in order of importance:—

	1934		1933		1932	
	Pairs	£	Pairs	£	Pairs	£
Total	263,141	153,213	273,958	131,147	282,298	97,484
United Kingdom..	151,109	90,311	144,804	80,961	123,841	45,719
Czechoslovakia. . .	60,949	24,301	96,088	25,444	124,704	30,163
United States. . .	18,878	13,097	7,661	5,085	8,291	4,317
Belgium	18,126	12,838	10,550	7,307	4,471	2,550
Switzerland . . .	8,716	8,201	11,896	10,310	18,399	13,441
Italy	2,525	2,327	1,074	646	73	20

Judged by the samples received last year, the number of which was small, it is the opinion of the trade that, although Canadian styles are suitable for the South African market, some alterations are required in the lasts. The dumpy toe last commands a large sale. "D" fitting is principally in demand. Flexibility and light weight are other requirements. For summer wear white kid and biege are popular in fancy cut-outs in courts and ties: courts this season

are having the preference. Other types offering an outlet are velvet shoes, plain and with buckles; satin and crepe; and silver and gold kid. Low heels are in great demand, and the high Spanish heel is also favoured.

In addition to the above lines for street and evening wear, this market offers possibilities for manufacturers of ladies' boudoir and other types of slippers.

PRICES AND DUTIES

The most attractive retail prices for ladies' shoes in Cape Town are 19s. 6d., 25s., 29s. 6d., and 35s. Therefore, in order to obtain a share of the business at the lower prices, Canadian quotations should range from \$2 up to \$5.50.

The duty on women's leather footwear is 3s. 6d. per pair or 30 per cent, whichever is the greater, and consequently a Canadian manufacturer must offer better values than the domestic manufacturers, whose products are steadily improving in style and workmanship but who are at present not producing a sufficient volume of stylish and light-weight shoes to meet the demand.

BUYING SEASONS

The buying season for summer lines opens in February and continues until September, but the bulk of the orders are placed in February and March. For winter season buying, October and November are the principal months; orders are booked up to January. In order that a Canadian manufacturer may obtain maximum results, he should have a substantial range of samples in his agent's hands by February for summer wear and in October for winter lines. On account of extended periods of purchasing and the fact that the local buyer is always desirous of obtaining the latest models, the manufacturer should supply his agent with new styles as they are produced, following the initial despatch of samples for each season.

DESPATCH OF SAMPLES

Once contact has been established between a manufacturer and an agent in this market, it is customary to allow a 50 per cent discount on all samples, which is chargeable against the agent's commission.

South African firms of high standing have at least two offices in the Union, generally at Cape Town and Johannesburg, and one shoe of each pair should be sent to each office. Invoices showing half pairs should be made out separately for each office. This is essential for customs purposes.

Samples should be sent by parcel post and by the most expeditious route. If shipment is made via the United Kingdom, the parcel should be marked "via Southampton and Union Castle mail steamer."

Shoes are usually sold in this market cash against documents, or through a confirming house in London or New York, a cash discount of from $2\frac{1}{2}$ to $3\frac{3}{4}$ per cent being allowed.

FOREIGN TRADE OF IRAQ, 1934-35*

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

Cairo, February 5, 1936.—During the fiscal year ended March 31, 1935, departures of sea-going steamers from the port of Basrah numbered 196 compared with 171 during the previous year, and of these 151 were of British registry. The total of cargo exported was 531,196 tons (326,731 in 1933-34).

The value of exports and re-exports, not including goods passing through Iraq in transit, was dinars 4,300,872, while imports cleared for home consumption amounted to dinars 5,999,375. Exports of specie totalled dinars 412,230 compared with imports of dinars 74,791.

The following table shows the value of the total foreign trade of Iraq for the last three financial years (not including specie):—

Year	Total Exports	Retained Imports In Thousands of Dinars	Adverse Balance	Transit Trade
1932-33	2,564	6,240	3,676	1,934
1933-34	2,874	6,025	3,151	3,008
1934-35	3,889	5,925	2,036	2,930

* A national currency, replacing the Indian rupee, was introduced in Iraq on April 1, 1932. The present unit, the dinar, which is divided into 1,000 fils, is equal to the pound sterling, to which it is closely linked.

The principal impression which may be gained from the preceding figures is the slight decrease in the value of imports accompanied on the other hand by a considerable increase in the value of exports, whereby the adverse balance has been almost cut in half.

EXPORTS

Before the pipe-lines connecting the Mosul oil-fields with the ports of Haifa and Tripoli on the Mediterranean Sea were constructed and completed in 1934, the main exports of Iraq were dates, cereals, raw wool, live animals, and hides and skins.

As a result of the activities of the Iraq Petroleum Company, crude oil exports figure for the first time in the trade returns of Iraq, with an estimated value of dinars 803,000 for nine months' operation during the fiscal year 1934-35, and henceforth petroleum will replace dates as the leading export commodity of the country.

In this connection it may be recalled that the Iraq Petroleum Company has undertaken to pay a royalty of four shillings per ton gold on oil exported from or sold in Iraq, with a minimum of £400,000 gold per annum. When the present pipe-lines are operated to capacity, which is placed at 4,000,000 tons, the royalty will amount to £800,000 gold. This additional revenue will, it is expected, be utilized to a large extent for the carrying out of a public works program, one of the main features of which is the extension of irrigation, providing for a substantial increase in agricultural production.

Two other companies, one of which possesses a refinery at Khanakin, on the Iranian border, have concessions in Iraq, and it is estimated that in the near future some 8,000,000 tons will be produced out of a potential total output of 20,000,000 tons per annum.

PRINCIPAL EXPORT COMMODITIES

The quantities, and values in thousands of dinars, of the principal commodities exported from Iraq during the last two fiscal years were as follows:—

Products	Units	1934-35		1933-34	
		Quantity	1,000 D.	Quantity	1,000 D.
Dates	M. tons	173,795	926	114,300	835
Crude oil	M. tons	1,605,255	803	.....	...
Barley	M. tons	82,553	207	225,007	694
Millet	M. tons	58,743	140	51,109	156
Wheat	M. tons	15,413	72	8,207	36
Wool, raw	M. tons	4,711	234	3,676	132
Animals, live	No.	894,153	190	138,053	74
Hides and skins	M. tons	1,502	106	2,264	148
Intestines	M. tons	103	53	87	31
Cotton, raw	M. tons	493	27	188	7
Eggs	Thousands	19,233	21	.....	...
Gasolene	Litres	1,036,878	20	1,304,532	22
Liquorice root	M. tons	4,668	16	9,215	34

The value of total exports in 1934-35, crude oil excepted, was dinars 3,086,000, which compares with dinars 2,874,000 for 1933-34 and dinars 2,564,000 in 1932-33.

During the year under review the total value of exports of grain, pulse, and flour was dinars 977,000, which exceeds the 1933-34 exports by dinars 469,000. Wheat flour exports totalled 7,866 metric tons valued at dinars 40,067 (7,876 metric tons, value dinars 47,921, in 1933-34). Exports of wheat were about half in quantity and value those of the preceding year. The United Kingdom was the chief buyer of Iraqi wheat, while the bulk of the flour was shipped to Arabia. The chief markets for millet were Germany and Belgium, with the United Kingdom third, while smaller quantities were shipped to Arabia, India, and Holland. Barley shipments were effected chiefly to the United Kingdom.

Raw wool is exported chiefly to France and the United States. In the latter country it is used mostly for the manufacture of carpets. Intestines are for the most part shipped to the United States, where they are prepared as sausage skins. The United States also accounts for practically the whole of Iraq's exports of liquorice roots.

Exports of dates were about 50 per cent greater than in the previous year, but prices were considerably lower. India remained Iraq's best customer for this commodity, with the United States second and the United Kingdom third. Canada, though a consumer, does not figure in the detailed statistics for this commodity.

The value of Iraq's total exports to Canada during the year under review was dinars 23,000, which compares with dinars 15,000 for each of the two preceding years. These exports consist almost entirely of dates. According to the Canadian trade returns for the last three financial years ending March 31, 1935, 1934, and 1933, the Dominion's imports of dates from Iraq were respectively \$251,000, \$189,000, and \$154,000. The difference in the values as estimated in the two countries represents approximately the cost of ocean freight.

DISTRIBUTION OF EXPORTS OF IRAQ

The following table shows the comparative values shipped to the principal markets:—

Country	1934-35	1933-34	1932-33
	In Thousands of Dinars		
United Kingdom	1,165	901	958
France	646	69	76
Syria	420	261	143
United States	337	361	251
India	316	292	299
Iran	264	208	161
Palestine and Transjordan	236	151	31
Arabia	179	187	172
Germany	158	102	39
Belgium	142	51	30
Egypt	112	34	54

As is shown in the above table, Iraq has been able to substantially increase its exports to Palestine, where the demand for foodstuffs has risen following upon the continued arrival of new settlers. The Iraqi products affected were chiefly cereals, live poultry, eggs, dates, and fresh fish. The increase in exports to the United Kingdom and France is due to petroleum.

IMPORTS

As previously noted, the value of imports for consumption during the year under review was slightly lower than that for 1933-34. This reduction is due mainly to smaller imports of materials for the petroleum industry, following upon the completion of the pipe lines to the Mediterranean. In this connection the trade returns indicate that the value of the imports of the oil companies decreased from dinars 1,016,679 in 1933-34 to dinars 377,003 in 1934-35. This is reflected in the fall in the value of the imports from the United Kingdom, which also experienced severe competition on the part of Japan.

IMPORTS FROM PRINCIPAL SOURCES OF SUPPLY

The following table shows the comparative values of imports for consumption in Iraq by principal countries during the last three fiscal years, the values being in thousands of dinars:—

Country	1934-35	1933-34	1932-33
	In Thousands of Dinars		
United Kingdom	1,506	2,027	2,179
Japan	1,223	706	425
Iran	509	441	448
India	399	536	772
United States	381	435	325
Belgium	324	300	377
Germany	312	155	235
Egypt	159	97	25
Syria	137	143	157
Italy	127	180	231
Java	123	107	60
Holland	122	170	142
U.S.S.R.	109	79	76
France	106	261	88
Sweden	76	54	123
Ceylon	71	45	49
Czechoslovakia	52	44	121
Turkey	49	45	48
Roumania	43	12	94

The above table brings out conspicuously the progress achieved in the Iraqi market by Japan, which has not only obtained about 75 per cent of the trade in textiles, but has also extended its exports to include a considerable variety of products, such as hosiery, underwear, canvas and rubber shoes, paints, cement, glassware, sanitary ware, and electrical apparatus. In this connection it may be noted that towards the end of 1933 Japan inaugurated a steamship service to Basrah. Two vessels of Japanese nationality were reported as leaving this port during the year 1933-34; there were six during 1934-35.

The chief imports from the United States during the year under review were (values given in dinars): automobiles and parts (220,000); clothing, including underwear (40,000); rubber tires and tubes (35,928); edible fruits (4,006); preserved fruits (325); confectionery (325); pharmaceutical products (3,057); toilet soap (2,023); cinema films (4,393); photographic apparatus (1,442); lubricating oils and greases (6,530); leather (2,143); cardboard boxes (1,980); paper for wrapping dates (1,887); playing cards (345); waxed cloth (489); incandescent mantles (629); lanterns (2,563); stockings of natural silk (216), of artificial silk (64), of cotton (171); typewriters (2,550); radio apparatus (3,222); electric batteries, accumulators, and parts (1,349).

CANADIAN EXPORTS TO IRAQ

The trade returns of Iraq do not include detailed figures for imports from Canada. The Canadian trade statistics for the year ending March 31, 1935, which coincides with the period under review, show total exports of Canadian goods to Iraq valued at \$129,231. This total was made up as follows: pneumatic tire casings (\$112,383), inner tubes (\$7,559), other rubber manufactures (\$2,337), upper leather (\$1,900), evaporated milk (\$2,700), paper and manufactures (\$138), automobiles (\$378), all other goods (\$1,836). Canada's exports to Iraq during the previous year (1933-34) totalled \$30,578.

ORIGIN OF CONSIGNMENTS TO IRAQ BY MAIN CATEGORIES

The origin of consignments to Iraq during 1934-35, by main categories (in thousands of dinars), is given in the following table:—

	Total Value in 1,000 Dinars	Countries consigned from
Cotton piece-goods	1,031	Japan (723), U.K. (211), U.S.S.R. (38), India (26).
Iron, cast iron and steel	422	U.K. (183), Belgium (113), Germany (77).
Sugar	381	Egypt (134), Holland (101), Belgium (80), U.K. (47).
Artificial silk piece-goods	286	Japan (238), Syria (28), Italy (12).
Automobiles and parts	256	U.S.A. (220), U.K. (28)
Tea	243	Java (116), India (42).
Clothing (including underwear)	191	Japan (75), U.S.A. (40), U.K. (38), Syria (10).
Woollen piece-goods	191	U.K. (86), Belgium (67), Italy (18).
Fuel oil	156	Iran (156).
Timber	133	India (40), U.S.S.R. (11), Turkey (7).
Motor spirit	119	Iran (117).
Wooden receptacles for packing dates	87	U.S.S.R. (48).
Soaps	71	Syria (35), India (19), U.K. (5), France (5).
Silk piece-goods	65	Japan (53), U.K. (5).
Cement	61	U.K. (23), Japan (7), Italy (5), Czechoslovakia (4).

TRANSIT TRADE

The volume of goods passing through Iraq in transit (for the greater part to and from Iran) amounted to dinars 2,929,744 during 1934-35. This compares with dinars 3,007,669 for 1933-34 and dinars 1,993,941 for 1932-33. Carpets and petroleum are the leading commodities which make up this transit trade.

NOTES FOR CANADIAN EXPORTERS

In accordance with the general rule applicable to export trade with countries in the Near and Middle East, the choice of a reliable agent is one of the main conditions of success in developing business with Iraq. Status reports should invariably be obtained.

Baghdad is the commercial centre, and is connected by river steamers to Basrah, on the Persian Gulf, while it is also reached overland by motor transport across the desert from Haifa and Beyrout, passing through Damascus.

There are a considerable number of commission agents located in Baghdad, generally operating on a small scale, and before business is transacted with them terms should be clearly specified. This market may also be developed through commission houses with headquarters in Haifa or Beyrout, and this is a convenient method for manufacturers and exporters who are already doing business in Palestine and Syria.

As the Iraqi dinar is fixed to sterling, the latter currency is recommended for quotations, which should be c.i.f. Basrah or Baghdad. If the usual cash-against-documents basis is not used, the exporter may suggest the payment with order of the approximate cost of the ocean freight.

The following British shipping companies operate lines communicating with Basrah: British India Steam Navigation Company, Ellerman & Bucknall Steamship Company, Strick Line.

The Ottoman Bank, the Eastern Bank, and the Imperial Bank of Iran have branches in Baghdad and Basrah.

The customs tariff of Iraq possesses but one column of duties—i.e., the rates on imports are the same regardless of the country of origin.

PANAMA MARKET FOR CODFISH

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, Republic of Panama, February 20, 1936.—Statistics for the calendar year 1935 show that increasing quantities of dried codfish have been imported into Panama during each of the last two years. Imports of codfish are shown below for 1933, 1934, and 1935, and for the peak year 1930:—

	1930	1933	1934	1935
	Figures in Kilograms			
Total	570,773	330,974	359,300	406,059
United States	336,812	280,368	252,900	340,020
Canada	200,469	20,968	41,500	9,882
United Kingdom	33,376	21,543	40,500	46,571
Norway	116	7,290	24,400	8,825

In explanation of the heavy imports in 1930, it should be recalled that mining, oil, fruit, and construction companies were very active in Panama during 1929 and 1930, and one of the diet staples of their large West Indian labour groups was codfish. With the deepening of the depression, particularly in the United States, activity in mining, construction, and agriculture diminished greatly, and in many instances ceased altogether, with the result that the number of West Indian consumers purchasing or in a position to purchase codfish decreased, and importations fell off gradually. This decline continued throughout 1931, 1932, and 1933, but took an upward trend in 1934, which was continued during 1935.

FACTORS IN THE INCREASING DEMAND

There are several factors which may have contributed to this result. Undoubtedly, business conditions have improved during the last two years, and the increased demand for codfish may be an indication of better times. The reduction of the duty on codfish on April 15, 1934, from 10 cents to 5 cents per gross kilo must also be regarded as a possible reason for the increase. In some quarters the belief that the percentage of the population of Panama of West Indian origin is increasing is given as an explanation of the increased demand for codfish, and if this is so, other things being equal, the trend of this business should continue upward.

SOURCES OF SUPPLY

Although the United States is shown in the statistics as the chief source of supply of Panama's imports of codfish, there can be no doubt that practically all the fish credited in the Panama statistics to the United States is Canadian cod sold through New York export houses. Both Canadian exporters and Panama importers of codfish are of the opinion that little if any codfish of United States origin reaches this market. On this basis therefore, Canada enjoyed approximately 86 per cent of this trade during 1935, the remainder going to United Kingdom and Norwegian packers.

Local importers and dealers state that codfish from the United Kingdom and Norway does not offer serious competition to the Canadian product, primarily because time in transit as compared with direct shipment from Canada or shipment through New York is more than double. Not only do importers require frequent small shipments, but they appreciate the fact that risk of spoilage varies directly with time in transit. There is no complaint, however, about the Norwegian and United Kingdom codfish, which, although smaller and less meaty than Canadian, is well cured and clean. The Panama market demands a dry salt, fairly heavy, well-cured fish of good quality, medium size, headless, but with fins. Canadian codfish of first and second quality meets these requirements. As Canadian shippers know, the average temperature of Panama is 80° F. with only a 5° F. variation from the mean throughout the year, and a constant humidity of from 75° to 80° saturation. The importance of careful and thorough curing, storing, packing, and shipment is recognized, since the fish must stand up for two months at least after time of shipment.

PACKING

Importers and dealers seem quite satisfied with the Canadian codfish which is being supplied to this market at present. It has been observed, however, that while Norwegian and United Kingdom codfish is shipped in rectangular boxes or cases containing 100 pounds net weight and unpacks at that weight or slightly better in spite of the longer period of transit, Canadian codfish shipped in butts of 300 pounds net weight often unpacks at slightly below that figure, although time in transit is much shorter. A slightly heavier pack of Canadian codfish would assure 300-pound net weight on unpacking on arrival here.

Panama importers of Canadian codfish do not desire any other change in the Canadian method of packing, but it might be possible to obtain a share of the 100-pound package business if exporters in the Dominion were willing to quote on this pack to the one or two interested importers. Since the duty on codfish is 5 cents per gross kilo, it would appear that in the case of the larger Canadian unit there is a slight saving of duty to the importer, but, on the other hand, to meet the demand of purchasers located at interior points or of those requiring less than 300 pounds of fish at a time, the smaller unit undoubtedly has its advantages.

VENEZUELA SUBSIDIZES EXPORTATION OF AGRICULTURAL PRODUCTS

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama, Republic of Panama, February 20, 1936.—A decree promulgated at Caracas under date December 21, 1935, provided for a subsidy of Bs.30,000,000 (approximately Canadian \$7,500,000) to the coffee growers of Venezuela, who have suffered severely from depressed conditions in the world coffee markets. Their position became more acute as the bolivar, which is still on a gold basis, appreciated from a par of 19 to the United States dollar to approximately 25.75. Apparently the Government of Venezuela preferred to alleviate distress in the coffee industry by granting a direct subsidy than by endeavouring to promote exports by depreciating the value of the bolivar on the foreign exchanges.

SUBSIDIES AND BOUNTIES PAYABLE

Subsequently a commission appointed to investigate and report upon the agricultural industry in general recommended the granting of subsidies to other agricultural groups. Accordingly a decree promulgated at Caracas on January 27, 1936, provides for the repeal of the decree of December 21, 1935, and further provides as follows:—

- (1) A subsidy of Bs.30,000,000 (approximately Canadian \$7,500,000) is granted to growers of coffee and other agricultural products.
- (2) An export bounty of Bs.15 (approximately Canadian \$3.87) for every sack of 46 net kilos of coffee.
- (3) An export bounty of Bs.10 (approximately Canadian \$2.58) for every sack of 50 net kilos of cacao.
- (4) An export bounty of Bs.6 (approximately Canadian \$1.55) for every 100 net kilos of sugar, provided the domestic price of sugar does not rise above its present level.
- (5) These bounties will be paid by the National Treasurer on presentation to him of proper documentation proving exportation.
- (6) These bounties will not be applied to coffee and cacao now in stock and no longer the property of the producers. Neither will it be paid to producers of more than 150,000 kilos.
- (7) An export bounty of 25 per cent ad valorem computed on the f.o.b. market price of the article at port of shipment is assigned to growers and producers of the following: cattle, hides and other cattle produce; timber and other forest products; oleaginous seeds and their produce; fruit and vegetables; rum and alcohol generally; tobacco and its products; and corn and its products.
- (8) These bounties will be paid by the National Treasurer on presentation to him of proper documentation proving exportation.
- (9) The Government of Venezuela will authorize the Bank of Venezuela to purchase up to 300,000 sacks of 46 net kilos of coffee and up to 100,000 sacks of 50 net kilos of cacao, at market prices, for export for the account of the Government.
- (10) The Minister of Agriculture is in charge of the execution of all terms of this decree.
- (11) This decree will apply to exports only up to and including June 30, 1936.

It is premature to comment upon the probable effectiveness of the subsidies provided for, but it may be reasonable to assume that the time limit specified may make it difficult for producers and exporters to benefit therefrom to any great extent. However, if this effort to assist the agricultural industry in Venezuela proves reasonably successful, it may result in the further extension of the subsidy policy.

ECONOMIC CONDITIONS IN URUGUAY DURING 1935

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

(The par value of the peso is \$1.034 Canadian. Current rates depend on the different markets which are discussed in the body of the report)

Buenos Aires, January 31, 1936.—Although more internal activity may be indicated by certain factors, the position of Uruguay as a whole must still be considered depressed. Although no detailed figures of revenue and expenditure are available, it is affirmed that the year closed with a surplus of about 7,000,000 pesos. Nevertheless the amortization services are only being met at the uniform rate of $3\frac{1}{2}$ per cent (most loans were floated at 5 per cent). The total public debt at the end of the year stood at about 303,000,000 pesos, of which 142,000,000 pesos represent external indebtedness. The total figure shows a reduction of about 11,000,000 pesos in the internal debt compared with the position at the end of 1934.

REVALUATION OF THE GOLD RESERVES

Outstanding among the financial measures during the year was the revaluation of the gold reserves, under the newly created issue department of the Bank of the Republic. This measure brought the internal value of the peso more in line with its value in foreign currency and provided a profit of about 49,000,000 pesos through an increase in the note issue. This profit was used to pay off several debts owing to various autonomous state entities and enabled the Government to draw up a plan for unemployment relief through public works.

STATE AID TO PRODUCERS

The Government has been required to continue its assistance to live-stock industry through a system of bounties to sellers of cattle, and has agreed to assist farmers whose crops have been lost through locust invasions. As a further assistance to farmers and cattle raisers, a law was passed authorizing the revaluation of land values for taxation purposes every five years; the first revaluation to be made at 80 per cent of former values. Thus the principal producers of Uruguay's wealth under normal conditions continue to receive state assistance.

FAVOURABLE AND UNFAVOURABLE FEATURES

The bank clearing house figures show more activity in considerably higher returns compared with last year's position, being advanced by about 28 per cent for a ten-month period. Similarly, the stock exchange turnover had increased by 8.7 per cent up to the end of August (latest figures available), and total railway receipts since July (beginning of railway year) up to the end of December showed a rise of 2.5 per cent—not a very great increase, but an improvement over the slight reduction shown for the year ending June 30, 1935.

Exports were also encouraging, in spite of low prices for wool, and the favourable trade balance, taken in conjunction with the 1934 figures, should be above the average. The outlook for a more favourable disposal of the wool clip is a welcome sign, particularly in view of the reduced clip.

On the other hand, industrial power consumption for the first seven months showed a drop of 3.3 per cent, and imports of coal and fuel oil for the first nine months were below the figure for the same period of 1934 by nearly 6 and 12 per cent by weight respectively (Uruguay requires to import all its coal and oil).

WOOL INDUSTRY

The wool industry may be described as forming the basis, together with the meat industry, of Uruguay's riches, and the economic condition of Uruguay therefore depends almost directly on these two industries. Actually, on the average the export of wool accounts for about 30 per cent of the total value of exports. The wool year begins on October 1, when the new clip first arrives on the market.

In the 1934-35 season the new wool moved out very slowly at first, although by the end of the season most of the clip had been liquidated. The clip was estimated at 52,824,255 kilograms, which was about 20 per cent over the previous year. However, prices throughout the year were considerably lower than those paid in 1934.

NEW SEASON'S OUTPUT AND SHIPMENTS

Shearing in the present season was delayed in order to allow the condition of the sheep to improve from the effect of the severe drought, which seriously affected ewes and young lambs, causing a mortality of 30 per cent of the latter. Although deliveries of new wool were delayed at the start, by the end of December entries to the Montevideo market had surpassed the corresponding figures of last year, reaching over 33,000,000 kilograms. Owing to the drought, it is probable that the present clip will be below normal, so that this figure may well represent about three-quarters of the total clip. The demand from abroad is relatively good and, in spite of a lower clip and poorer quality, the prospects for an early disposal at improved prices are good. Shipments for the 1934-35 season reached 117,275 bales (about 460 kilograms each), which is about 25 per cent higher than the previous season's exports. Up to January 20, 996 bales had been shipped as against 17,565 bales for last season.

LIVE-STOCK INDUSTRY

Meat and meat products account for an average of about 34 per cent of the total Uruguayan exports. The live-stock industry continues to be subsidized in the form of a bounty paid to all sellers of cattle on the Montevideo market. For the first ten months of the year the subsidy paid out in this respect amounted to 6,379,600 pesos. This fund is made up from profits on exchange obtained by the sale of 30 per cent of the meat export bills, secured at the official rate, on the free controlled exchange market. At the end of November the fund for the supply of the bounty showed a deficit of about 1,200,000 pesos, which was made up by an advance from the profit from the revaluation of the gold reserves.

Drought conditions seriously affected the herds, with the result that entries of cattle to the market were unseasonably heavy in August and September; since then, however, rains have fallen in abundance, and the cattle and sheep are reported to be in excellent condition.

STATISTICAL POSITION

Prices paid for slaughter cattle continued up to the end of July at the low levels that have been afflicting this industry for some time. In spite of heavier entries following that month, prices rose considerably, especially for well-conditioned animals, and the year closed with prices still above the levels of a year ago. For the period January to November, cattle slaughterings were 933,898 head, being about 16 per cent higher than the corresponding period in 1934. On the other hand, the number of sheep killed showed a reduction of about 6 per cent

to 778,906 head. Exports of meats and extracts for the first nine months were practically unchanged compared with last year; canned meats make up about 42 per cent by value of this class, and although the volume showed a considerable increase, the value was under that of last year's period.

HIDES AND SHEEPSKINS

Complementary to the live-stock and wool industries, the export of hides and sheepskins is fairly important, forming an average of about 13·8 per cent of the total value of exports. Sheepskins were in fair demand throughout the year, and at times stocks were exhausted, with the result that prices remained generally firm. Dry hides, on the other hand, were in little demand for the first half of the year, but after May supplies were taken up more readily, with a resultant betterment in prices. The salted or wet hide market was steady for most of this year with Russia, Germany, and the United States as active buyers; prices generally showed a slight rising tendency.

Shipments of all hides for the first nine months were over 9,000,000 pesos, an advance of about 57 per cent over the corresponding period of last year. Salted hides were responsible for the bulk of these shipments, being about 58 per cent of the group, while sheepskins made up about 18·5 per cent.

GRAIN-GROWING INDUSTRY

The grain-growing industry of Uruguay is only of secondary importance; in fact, the only grain crop regularly available for export is linseed, and in some years it has been necessary to import wheat from Argentina. The long-term average of percentage of total exports is only 7·2 for all grains, linseed, and flour.

During the year agriculturists suffered from drought, frost, and locusts; although the drought was not so severe as in Argentina, 50,000 pesos has been voted for the purchase of seed to assist those growers whose crops have been destroyed by locusts. The maize crop was, however, about 18·5 per cent over the previous year's total. Further, growing conditions during the months of November and December greatly improved the crops, and it is estimated that the wheat harvest will yield about 13,940,000 bushels, which compares with 9,670,000 bushels in 1934 and 14,660,000 bushels in 1933.

WHEAT SITUATION

The local consumption of wheat is estimated at about 10,660,000 bushels, so that there should be about 3,280,000 bushels available for export. The Bank of the Republic continues to control the sale of wheat and has set a minimum price of 5 pesos per quintal (3·68 bushels). By a recent law the free export of wheat was sanctioned, and exporters may sell 80 per cent of their exchange on the free controlled market, the balance to be sold at the official rate.

EXCHANGE CONTROL AND FOREIGN TRADE

Exchange control has continued to exercise a predominant influence on the conduct of Uruguay's foreign trade; by the system at present in force, imports from countries that buy large quantities of Uruguayan produce are definitely favoured, and at the same time exports may be encouraged by allowing shippers to sell their bills on the free controlled or free markets with the corresponding higher return in pesos.

IMPORT PERMITS

Throughout the year importers have been required to obtain an import permit, which should not be confused with an exchange permit. These import

permits are issued on the understanding that the importers will agree to purchase their exchange on a specified exchange market, that is official, free controlled, or free.

EXCHANGE QUOTAS

The rate on the official market at the present time is \$79.90 Canadian per 100 pesos (rate pegged at 12.06 French francs to the peso), whereas the free controlled rate is \$50.35, and the free rate \$47.80. In practice, official exchange is only conceded to importers, usually as a percentage of their requirement, for a limited number of articles considered as indispensable (such as newsprint). Exchange is divided among the different supplying countries in accordance with a list of quotas which are published every three months, the quota depending on the amount of Uruguay's exports to each country. Free controlled exchange is then granted to pay for non-luxury imports from countries with quotas or trade agreements. Countries without quotas must generally rely on the free market, if they wish to obtain import permits.

SHORT-TERM AGREEMENTS

In addition to the regular quotas, Uruguay has continued with a policy of arranging short-term trade agreements with certain countries, among which may be mentioned a treaty with the United Kingdom which gives Uruguay most-favoured-nation rights in that market, and makes arrangement for improved exchange treatment for United Kingdom interests in Uruguay.

Canada has not been given a separate quota for some time, with the result that most imports must be effected at the free rate, although newsprint paper is still given preferred consideration. On the other hand, the United States obtains a fairly large quota which is principally applied to agricultural and industrial machinery, windmills, lumber, spare parts for automobiles and trucks, paper, some chemicals and dyes, binder twine, tobacco, and a few other products.

CHANGE IN GOLD SURTAX ON DUTY

Actually the difference between the free rate and the free controlled rate has never been very great, but in May the method of calculating the gold surtax on the duty was changed, so that when goods are imported on the free controlled market the surtax is considerably higher than the former rate and even higher in the case of goods with free exchange. This measure raised the duty by some 20 and 40 per cent respectively, depending on the quotations on these two markets.

Thus in the case of Canadian trade with Uruguay, which is principally made up of newsprint and agricultural implements, since both products are admitted free of duty, the unequal exchange position of Canadian shipments of agricultural implements in competition with the United States is not as serious as at first sight might be considered.

URUGUAY'S BALANCE OF PAYMENTS

It follows that the balance of payments between Uruguay and the different countries is of paramount importance, since the quotas are directly dependent on it. The following table shows the imports and exports by countries of principal interest to Canada, for the first nine months of 1935 compared with 1934, 1933, and the five-years' average 1928-32:—

	Average 1928-32	1933	1934	Jan.-Sept., 1935
	Figures in 1,000 Pesos			
Total imports	84,566	60,644	62,712	42,282
Total exports	86,255	66,638	69,773	68,957
United KingdomImports	14,642	12,149	11,255	6,965
Exports	24,505	22,244	17,785	16,973

Uruguay's Balance of Payments—Concluded

	Average 1928-32	1933	1934	Jan.-Sept., 1935
	Figures in 1,000 Pesos			
United States Imports	20,508	5,572	9,352	5,590
Exports	7,013	5,550	7,273	6,426
Germany Imports	8,930	5,447	5,410	3,728
Exports	12,127	9,838	11,402	9,934
Belgium Imports	4,274	2,350	2,683	1,784
Exports	5,105	4,133	5,093	3,275
France Imports	3,478	1,715	1,213	1,416
Exports	10,270	6,565	4,591	5,945
Sweden Imports	415	334	273	391
Exports	632	718	903	906
Norway Imports	97	225	307	192
Exports	53	183	105	76
Canada Imports	68	16	53	190
Exports	.....	.....	300	256
Finland Imports	.....	24	41	102
Exports	.....	.....	107	60

In comparing the exports and imports it should be remembered that the exports represent market values, whereas imports are the arbitrary values fixed for most goods in the customs tariff. It is generally considered that the real value of imports would be somewhat above the appraised figures.

The increase in export shipments for 1935 is misleading (exports first nine months 1934 were 47,640,705 pesos), since it does not represent a net increase; the wool clip of the 1934-35 season was very late in moving, with the result that a higher percentage than usual was shipped after the new year. The increase in exports for the first nine months was about 21,000,000 pesos, and about 15,000,000 pesos of the increase was made up of higher wool shipments, although prices during 1935 were generally lower and offset to a considerable extent the increase in the size of the clip. The improvement in the apparent balance of trade favourable to Uruguay should, therefore, be considered as extending over the two years and not solely as the result of more favourable conditions in 1935.

NATIONAL FOREIGN DEBT HOLDINGS

About 48 per cent of the national foreign debt is owing to the United Kingdom, 36 per cent to the United States, and 16 per cent to France, and these factors should be taken into consideration when weighing the value of the trade balances of these countries in relation to the quotas they could expect. In 1935 total interest payments on the national debt amounted to 16,142,108 pesos, of which 6,276,246 pesos were paid abroad. By applying the above percentages to this figure, which presumably was more or less equal to the 1934 payments since the interest services were still met at the uniform rate of $3\frac{1}{2}$ per cent, the theoretical balance of trade and national foreign debt services for 1934 would be 3,520,000 pesos unfavourable to the United Kingdom, 4,336,000 pesos in favour of the United States, and 2,175,000 pesos unfavourable to France.

ARGENTINE LUMBER MARKET

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, February 3, 1936.—Argentina is dependent almost exclusively on foreign sources of supply for her requirements in softwoods. Local hardwoods are available, however, and although the quality is generally inferior and the cost high, due to the distance from Buenos Aires, which is the principal consuming market, imports are relatively small and confined to uses for only the best trade.

IMPORTS

Argentina imported 356 million feet of softwoods in 1929. This figure had fallen to 180 million feet in 1934. A considerable increase in arrivals of Douglas fir and pine for 1935 is indicated in the following table:—

Arrivals of Lumber in Argentina

	1929	1932	1933	1934	1935
		Millions of Board Feet			
Douglas fir	64.0	18.8	18.2	20.9	28.6
Pitch pine	157.2	66.4	50.7	56.0	65.7
Brazilian pine	51.4	45.4	56.2	66.5	*
Russian spruce	9.3	9.4	16.1	18.2	*
Other Europe	50.2	13.6	17.0	16.0	*
Pacific hemlock	12.2	1.3	0.4	1.1	0.1
Sitka spruce	1.9	0.4	0.5	0.7	0.8
Redwood	0.8	0.1	.....	.....	0.1
Idaho pine	2.6	0.3	0.4	0.6	1.0
Other	5.9	1.3	0.3	0.2	....
Total	355.5	155.7	159.8	180.4	*

* Not available.

The increase in arrivals of lumber last year reflects the improved situation here. Building construction has been more active although handicapped towards the close of the year by a strike.

DOUGLAS FIR AND PITCH PINE

The aggregate consumption of Douglas fir in Argentina has changed little in relation to pitch pine since 1929, despite the fact that for certain particular uses fir has improved its competitive position. The railways would use last year slightly over 7 million feet of fir and pine. This is a relatively small percentage of the total consumption here, but the railways, in part at least from the start, from enforced economies, have been turning to fir during the past few years. The railways import free of customs duty and so buy direct, although at present with limited requirements a certain amount of lumber is used from local stocks.

For the ordinary trade through Buenos Aires, merchants estimate 30 per cent of the pitch pine imported, or on this basis 25 million feet in 1935, was used for roofing and flooring in 1 by 3 and 1 by 6. In Douglas fir probably from 8 to 20 per cent or from 2 to 5 million feet was used in these sizes. The 12-inch boards in 1, 1½, and 2 inches, which are widely used in the country districts for grain and shearing platforms, account for around 10 per cent of the pitch pine or over 6 million feet and from 15 to 20 per cent of the fir or 3.5 to 5 million feet last year.

The bulk of the Douglas fir is imported in scantling sizes, particularly 2 by 3, 3 by 3, and 3 by 4. This trade accounts for 50 to 60 per cent of the fir or 12 to 15 million feet in 1935 against 35 to 40 per cent of the pitch pine or 22 to 25 million feet. The estimates of larger sizes used as 3 by 9, 4 by 4, 4 by 6, and 4 by 9 vary widely in the trade from 5 to a maximum of 20 per cent in one case for fir and from 10 to 15 per cent for pitch pine. The railways buy a certain amount in these sizes locally.

Pitch pine is quoted currently at \$41 U.S. per M feet on a c.i.f. basis on average merchants' specifications and \$32 for scantlings only against \$26 to \$28 for Douglas fir.

BRAZILIAN PINE

This lumber is imported almost entirely in boards from 3 to 12 inches in width. Consumption of Brazilian pine has increased steadily both relatively and absolutely since 1929. It comes well graded, and 80 per cent of arrivals

are first clears without any knots whatever. No. 2 is also imported. One of the principal uses is for furniture. Most of the office partitions, counters, and shelving are now made of this wood. In cheaper construction it is used for ceilings, for partitions, and in some cases for doors. In a price market such as this, this lumber has a wide field and is highly competitive in most cheaper forms of construction.

EUROPEAN SPRUCE

The trend during the past few years has been away from the poorer qualities of European spruce such as from Poland and Yugoslavia, due to competition from the better quality of spruce arriving from the White Sea area of Russia. Consumption of this Russian spruce has been increasing steadily, and it is estimated arrivals were much higher in 1935 than in the previous year. It comes in boards from 1 by 3 to 1 by 10, of fourth quality, and is used widely in form work. It is sold on a landed basis. Current prices on a c.i.f. basis are given at £10 15s. per standard. Competition from this source is increasing.

WESTERN HEMLOCK

This lumber has been largely replaced here for shooks by local woods and Brazilian pine. The prospects for an increase in consumption do not appear to be bright.

SITKA SPRUCE

This lumber has been too high-priced for this market in recent years. Quantities specially selected have been purchased at intervals in the past by the Government for aeroplane construction. In addition, the railways formerly used it to some extent for car lining.

IMPORT DUTIES

The import duty on Douglas fir and Russian spruce works out at the equivalent of \$8.64 Canadian per M feet against \$9.85 for pitch pine. Brazilian pine pays only \$3.86 per M feet, which gives this lumber an added advantage in its particular field. The duties on fir, pitch pine, and spruce were increased 188 per cent in 1931, whereas the Brazilian pine increased only 81 per cent.

ECONOMIC CONDITIONS IN PERU

R. W. McBurney, ASSISTANT TRADE COMMISSIONER

Lima, February 13, 1936.—According to the estimates for 1936, as presented by the Finance Minister, Government revenues of Peru should total S/136,555,152, to which may be added S/2,317,433 as surplus from the 1935 budget. This is the highest estimate since the 1930 figure of S/147,870,325. Expenditures for 1936 are estimated at S/139,026,714.

There is, however, no improvement from the point of view of the foreign bond-holder. National finances are not as yet considered to be in a condition to meet service on the foreign debt. An item is to be set aside in the budget, however, which will provide for redemption of bonds at such time as the Government may consider such action opportune.

Approval has been granted by Congress for increasing the outstanding 6 per cent bond issue of S/18,000,000 to S/33,000,000. The national debt now amounts to over S/552,000,000, having shown a steady increase since 1930, when the figure was S/380,804,841.

EXCHANGE

Peruvian currency has shown remarkable stability on exchange markets, despite the fact that no system of exchange control whatever is in force. For the first eleven months of 1935 the average value of the sol in terms of United States currency was 4.18 soles to the dollar as compared with the average for the complete year of 1934 of 4.34 soles. During the January-November period of 1935, the lowest point was recorded in March at 4.38 soles to the dollar and the highest in November at 3.95 soles. Fluctuations in the exchange value of the sol closely followed the changes in the price of gold on world markets. Quotations in Canadian currency differed from the foregoing only as the Canadian dollar stood at a discount or premium on the New York exchange market.

MONETARY CIRCULATION

Visible gold supplies maintained a steady increase during the year up to the end of October, the latest date for which data are available. Starting with the January figure of S/41,621,000, there was an increase at the end of the half-year to S/42,447,000, followed by a further rise to S/42,706,000 at the end of October. The corresponding figure for October, 1934, was S/40,628,000. Of the October, 1935, total, gold to the value of S/42,044,000 was held by the bank of issue, the balance by the commercial banks.

Total currency in circulation averaged S/124,183,000 for January, 1935, rising to S/126,821,000 for June but decreasing to S/124,401,000 for November. The corresponding figure for November, 1934, was S/120,401,000. Free or public circulation accounted for S/94,327,000 of the November, 1935, total, the balance being held by the bank of issue and commercial institutions.

INDUSTRIAL CONDITIONS

Business conditions in Peru during 1935 showed, in general, continuance of the improvement which began in 1933. Agriculture, with the exception of sugar cultivation, reported a satisfactory year, while mining and manufacturing both showed increases in production. Quiet labour conditions and appreciation in the value of the sol were contributory factors, while increasing foreign trade reflected the upward trend in internal economic conditions.

COLLECTIONS

For the first ten months of 1935, protested bills numbered 1,294, to a value of S/723,000, as against the corresponding totals for 1934 of 837 bills for S/420,000. During 1935, August was peak month with 206 protested bills valued at S/101,000; May the lowest with 76 bills for S/34,000.

MINING

Steadily advancing prices for copper and silver on world markets resulted in increased activity in the Peruvian mining industry. As an indication of a higher volume of production, copper exports for the first nine months of the year totalled in value S/36,399,780 as against the corresponding 1934 figure of S/27,871,879. Silver exports in the same periods were valued at S/4,214,707 as against S/1,549,228 in 1934. The petroleum industry also reported increased production. Renewed interest in gold mining has resulted in the formation of new companies for the working of long-neglected deposits. Development of air transport has been largely responsible for this renewed interest, as the deposits were formerly so inaccessible as to make profitable exploitation impossible.

MANUFACTURING

Peruvian manufacturing industries are faced with strong and well-established foreign competition, particularly from Japan. Nevertheless progress is reported, particularly in lines where local manufacturers are able to compete on bases of price and quality. Such now include textiles, soaps, patent medicines, cement, glassware, and shoes, all of which are being produced in increasing quantities. The Government has made constant efforts to aid domestic industries, of which the latest is the new customs tariff, effective as from February 1, 1936, and which is designed to afford additional protection to national manufactures.

AGRICULTURE

A record cotton crop is reported for 1935, and is attributed partially to larger acreages under cotton, almost complete freedom from plant disease, and the fact that drought conditions, which seriously affected other crops, were not experienced in the irrigated valleys of the centre of the coast where cotton is grown. Prices, while fairly satisfactory, followed appreciably lower levels than in the previous year. Exports in the January-October period of 1935 had an average value of S/47.77 per quintal as against S/56.76 per quintal in the corresponding period of 1934.

Increasingly serious conditions have been manifested in the sugar-producing industries during the year. Drought seriously affected crops and scarcity of guano led to increased fertilizer costs as importation became necessary. Producers were therefore faced with diminished crops, increased production costs, and low prices for their product. The Chadbourne plan, which had for its object the regulation of sugar exports from signatory countries, including Peru, expired on September 1, 1935. The plan was not renewed because of negative results obtained, nor is it felt that there is any prospect of immediate benefit from proposed international conferences on the subject. The inception of industries producing artificial sugar in countries which formerly furnished markets for the traditional producers, such as Peru, has reduced the world free market from 5,000,000 tons as in 1931 to less than 3,000,000 tons.

The commercial treaty between Peru and Chile, ratified on November 25, 1935, provides for the unrestricted entry into Chile of 84,000 tons of sugar, or 70 per cent of annual Chilean consumption. Since average annual exports of sugar from Peru to Chile over the last eight years have been about 110,000 tons, the advantage gained by the Peruvian industry is negligible. No other state aid has been given to the industry.

FOREIGN TRADE

Peruvian external trade during the first eleven months of 1935 totalled in value S/441,427,330 as against the corresponding figure for 1934 of S/431,752,746. The following table, taken from preliminary statistics complete only for the first eleven months of 1935, indicates the relation of exports to imports in Peruvian trade with principal countries. Corresponding figures for 1934 are unfortunately not available:—

Country	Exports to Values in Soles	Imports from Values in Soles	Balance of Trade
United Kingdom	60,316,265	21,732,086	+ 38,584,179
France	30,440,146	4,199,806	+ 26,240,340
Canada	23,348,481	2,756,420	+ 20,592,061
Chile	13,091,736	4,111,734	+ 8,980,002
United States	57,699,003	52,624,329	+ 5,074,674
Argentina	6,792,240	13,668,790	- 6,876,550
Italy	1,607,996	5,324,583	- 3,716,587
Japan	8,288,935	8,453,146	- 164,211

Principal commodities imported during the first eleven months of the year were: agricultural and industrial machinery, S/12,888,909; automobiles and trucks, S/8,939,208; oils and colorants, S/8,375,583; cotton goods, S/12,565,614; lumber, S/4,040,241; and wheat, S/12,565,614.

Main exports in the same period were: petroleum and derivatives, S/107,657,885; minerals, S/59,216,698; cotton, S/72,922,332; sugar, S/21,884,852; and coffee, S/1,805,010.

COST OF LIVING

The general index figure for the cost of living in Peru (1913 equals 100) showed a steady rise during the first eleven months of the year, with the exception of a slight interruption in the second quarter. For January the figure stood at 149.5, rising at the end of the first quarter to 152.2, followed by a drop to 150.6 in April. At the end of the half year it had again risen to 152.6, and by the end of November stood at 155.3. The corresponding figure for November, 1934, was 153.7. The average index figure for the whole of 1934 was 150.2 as compared with 152.1 for the first eleven months of 1935.

The rise at the end of the year follows a normal increase in prices of food-stuffs at the end of the winter season. Other groups, such as rents and clothing, show little variation.

ECONOMIC CONDITIONS IN CHILE

R. W. McBURNEY, ASSISTANT TRADE COMMISSIONER

Lima, February 15, 1936.—Closing months of 1935 marked the completion of the third consecutive year of financial and economic recovery in Chile. Industry enjoyed hitherto unknown prosperity, with production at record levels. Unemployment has dropped to a negligible figure, the budget remained balanced, and as a further indication of prosperity, proposals have been made for resumption of service on the national debt of the country, for the first time since 1931.

Despite this promising situation, however, both the Minister of Finance and the Banco Central have on occasion issued warnings against over-optimism, pointing out that it is hardly reasonable to expect the trend towards industrial expansion to continue throughout 1936. The Banco Central has also stated that a regression in trade, if not a partial crisis, may result from the fact that production and sales are not maintaining a proper balance.

FINANCES

For the first eleven months of 1935 ordinary national expenditures totalled 1,095,294,000 pesos as against ordinary revenues of 1,186,547,000 pesos. Corresponding figure for 1934 show expenditures of 794,347,000 pesos and revenues of 832,674,000 pesos.

By decree of January 2, the 2-per-cent sales tax was removed and replaced by a 5-per-cent additional import tax, which appears to be applicable also as a turnover tax. Revenues from direct taxation during the first eleven months of 1935 totalled 438,076,000 pesos as against the corresponding 1934 figure of 396,700,000 pesos.

EXCHANGE

The Finance Ministry together with the Banco Central, operating through the Exchange Control Commission, has successfully maintained the exchange position of the peso. Throughout the year the official rate has remained at around 19.35 pesos to the United States dollar. The unofficial, or so-called "black" rate, has fluctuated around 25 pesos to the United States dollar. From

the viewpoint of foreign exporters these restrictions on exchange have created the problem of frozen credits from time to time, so that cash before shipment has been considered the safest basis for business.

BANKING

Total gold reserves as at the end of November, 1935, amounted to 142 million pesos of 6d., all but one million pesos being held in the country. The corresponding figure for 1934 was 144 million pesos, of which 29 million pesos were on deposit abroad.

Currency in circulation as at the end of October, 1935, totalled 901 million pesos, of which 533 millions were in free circulation. In October of the preceding year currency in circulation amounted to 878 million pesos, of which 500 million pesos were in the hands of the public.

COLLECTIONS

Insolvencies to the number of twenty-two were registered during the January-November period of 1935 as against six in the corresponding period of 1934. Bankruptcies to the number of eighty were declared in the same period of 1935 as against sixty-one in 1934 and 112 in 1933. Protested drafts totalled 9,095 to a value of 14,547,043 pesos from January 9 to November 12, 1935. In 1934 for the period January 10 to November 13 the totals were 6,332 drafts valued at 10,082,887 pesos.

INDUSTRY

Provisional index figures covering the Chilean mining industries (base 1927-29 equals 100) for the January-November period of 1935 stood at 71·3 as against the corresponding figures for 1934 and 1933 of 61·5 and 37·4 respectively. Copper production in the same periods totalled 22,618 fine tons in 1935 as compared with 21,036 in 1934 and 13,223 in 1933; gold, 7,417,640 fine grammes in 1935 as against 6,780,141 grammes and 4,081,211 grammes in 1934 and 1933 respectively; silver, 37,275 fine kilograms in 1935, 30,978 kilograms in 1934 and 7,166 kilograms in 1933; coal, 1,630,250 net tons in 1935, 1,539,045 tons in 1934, and 1,256,621 tons in 1933; iron, 770,593 tons in 1935, 922,096 tons in 1934, and 493,746 tons in 1933. The foregoing figures are all for the first eleven months of the years mentioned.

Both production and sales index figures for manufacturing industries (base 1927-29 equals 100) showed a rise for November, 1935, as compared with the corresponding figures for 1934 and 1933. The 1935 figure was 150·7 as against 138·6 and 112·4 in 1934 and 1933 respectively. Similarly the sales index figure for November, 1935, was 139·7 as against 132·3 and 108·4 in November, 1934 and 1933.

The downward trend in unemployment which commenced in November, 1933, has steadily continued. At that date the total number of unemployed was 160,000; by January, 1935, it had fallen to 12,100, while at the end of October it was only 5,401. These are official figures and refer to those entirely without employment and receiving state aid.

EXTERNAL TRADE

Provisional statistics for Chilean external trade in 1935 show increased values for both exports and imports.

Exports in 1935 reached a value of 473,078,000 pesos as against 469,832,000 in 1934 and 343,700,800 pesos in 1933. That higher prices were received for

Chilean exports in 1935 is indicated by volume figures, which show a decrease in actual tonnage shipped as compared with preceding years, despite the higher values recorded.

Imports in 1935, valued at 303,800,000 pesos showed an increase of 67 per cent over 1934 and 25 per cent over 1933. In point of volume the 1935 figure of 971,400 tons showed an increase of 24.25 per cent over the 1934 figure.

NICKEL SUBSIDIARY COINAGE IN CHINA

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, February 10, 1936.—Another step in the direction of modernizing China's financial and monetary system has been taken by the Ministry of Finance of the National Government with the release to-day for circulation in Shanghai of new subsidiary metal coins. The new measure has a special interest for Canada because three of the five coins are of pure nickel. The five coins are a 20-cent,¹ a 10-cent, and a 5-cent coin, each of pure nickel, and a 1-cent and a ½-cent coin, each of copper. The two latter contain 95 per cent copper, 4 per cent zinc, and 1 per cent tin. Although no definite statement of the Government's ultimate intention has been made, it is generally assumed that if the new coins prove acceptable, their circulation will be extended gradually throughout the whole of the country to replace the existing subsidiary money of paper (50-cent, 25-cent, 20-cent, and 10-cent notes) and the 20-cent and 10-cent "small money" silver coins. The existing copper 1-cent pieces and the copper "cash" will continue to circulate, but probably the new 1-cent pieces will in time replace the old.

Attempts have been made before to introduce nickel coinage into China, notably by the Germans when they controlled Kiaochow (Tsingtao) before the European War, and by certain provincial governments. These attempts apparently met with little success.² Circumstances have changed now. In the first place, the country has a more stable Central Government, which is responsible for the present measure, and in the second place China is now on an inconvertible paper currency basis with silver withdrawn or being withdrawn from circulation. (See report in *Commercial Intelligence Journal* No. 1663, dated December 14, 1935, entitled "China Abandons the Silver Standard.")

The new measure is being watched with great interest because if it succeeds it will bring about a revolutionary improvement in China's monetary system.

NEW IRISH FREE STATE TRADE AGREEMENT WITH THE UNITED KINGDOM

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, February 19, 1936.—The long-delayed details of the anticipated extension of the trade agreement between the Irish Free State and Great Britain, known as the coal-cattle pact, were published yesterday simultaneously in Dublin and London. The following is the official statement issued by the Irish Free State Government Information Bureau:—

"An arrangement has been concluded between the Saorstát Government and the Government of the United Kingdom providing for an increase during 1936, as compared with 1935, in the quotas for fat cattle and bacon to be exported from the Saorstát to the United Kingdom. The arrangement also provides for

¹ Cents Chinese currency. ²*The Currencies of China*, by E. Kann, p. 190.

the reduction of customs duties on certain Saorstat Eireann products imported into the United Kingdom."

REDUCED DUTIES

Particulars of some of these reductions are shown in the following table:—

	Old Rate of Duty			New Rate of Duty		
	£	s.	d.	£	s.	d.
Live cattle—						
Under 6 months old	1	5	0	1	0	0
6 months but under 15 months old	2	10	0	2	0	0
15 months but under 2 years old	4	0	0	3	0	0
2 years and upwards, not "mincers"	6	0	0	4	5	0
2 years and upwards, "mincers"	3	0	0	2	0	0
Horses	40% ad val.			20% ad val.		
Sheep and lambs (live)	10s. per head			5s. per head		
Mutton and lamb (dressed) carcasses	10s. per carcass			5s. per carcass		
Mutton and lamb sides	5s. per side			2s. 6d. per side		
Mutton and lamb, other kinds	40% ad val.			20% ad val.		

In return, the Saorstat Government has agreed that all imports of coal during 1936 will be taken from the United Kingdom, and that one-third of the estimated requirements of cement will be imported from the same source. Under the new order, the Saorstat import duty on cement, iron and steel products, and electrical goods and apparatus is reduced, as from February 19, 1936, from 20 per cent to 10 per cent ad valorem; on sugar, molasses, and glucose from 2s. 4d. per cwt. to 1s. per cwt.; on saccharine from 9d. per ounce to 4½d. per ounce; and on articles made from or containing sugar or other sweetening matter, excluding sugar confectionery, cocoa preparations, beer, table waters, herb beer, cider, sherry, wine, tobacco, and spirits, if by weight, from ¼d. per pound to ⅙d. per pound; if by measure, from 3d. per gallon to 1½d. per gallon.

The Free State Department of Agriculture have announced that export bounties on cattle and horses will not be payable in respect of any animals of these classes exported after February 18, 1936.

VALUE OF GOODS AFFECTED BY THE NEW AGREEMENT

The total value of the goods affected by the new agreement is shown in the following table:—

Free State Imports

	1934	1935
Cement	£ 459,000	£ 440,000
Coal	2,405,000	2,450,000
Electrical goods	682,000	800,000
Iron and steel products	2,139,500	1,963,000
Sugar, molasses, glucose	566,000	265,200
Total imports	£6,251,500	£5,918,200

Free State Exports

	1934	1935
Cattle (fat)	£1,407,500	£1,736,000
Cattle (store)	2,171,000	2,928,000
Milch cows and springers	552,000	651,000
Calves	128,000	60,000
Sheep and lambs	442,000	358,000
Pigs	371,000	429,000
Horses	992,000	1,049,000
Poultry	25,000	80,500
Other live animals	27,000	25,000
Total exports	£6,115,500	£7,316,500

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Quota Payments on Flour

The Wheat (Quota Payments) No. 1 Order, 1936, of the United Kingdom, effective February 23, reduces from 16·8 pence per hundredweight of flour to 14·4 pence the payment to be made to the Wheat Commission by each miller and importer of flour in the United Kingdom. The fund created by these payments is used by the Wheat Commission to reimburse United Kingdom wheat growers to the extent of the difference between the ascertained average price of home-grown millable wheat in any cereal year and the standard price of 10 shillings per hundredweight fixed by the Wheat Act, 1932. Quota payments are levied on flour produced within the British Empire as well as on non-Empire flour.

United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice of the following applications: (1) for an increase in the import duty on tubes, sheets, strip, plates, discs and circles, manufactured wholly of copper or of alloys containing more than 50 per cent by weight of copper (at present sheets, strip, plates, discs and circles, if plain and exceeding 0·006 of an inch in thickness and not plated, coated, drilled, or punched, are 15 per cent; sheets, etc., otherwise, and tubes, 20 per cent); (2) for drawback under the Second Schedule of the Import Duties Act, 1932, in respect of tissue weighing less than 12 ounces to the square yard, coloured or not, treated with cellulose solution or not, and made either entirely from paper yarn or from such material with the addition of one or more strands of other material in the selvage.

The foregoing goods, when Canadian products within the meaning of the Imperial preference regulations and consigned direct to the United Kingdom, are guaranteed duty-free entry by the Canada-United Kingdom Trade Agreement, 1932.

Leather Duties Increased in the United Kingdom

Mr. Frederic Hudd, Canadian Trade Commissioner in London, cables that the United Kingdom increased to 30 per cent ad valorem, effective March 5, the import duty payable on dressed box and willow calf, box and willow sides, and other chrome tanned calf, kip, and hide leathers imported in skins or pieces weighing less than 4 pounds each. The former duty on leathers of this class was 15 per cent ad valorem.

Leather which is a British Empire product within the meaning of the Imperial preference regulations will continue to enter duty free.

New Zealand Electrical Regulations

Canadian firms interested in export of electrical goods to New Zealand, who have not already been advised by their representatives of revised supply and wiring regulations made under authority of the Public Works Act, 1928, in force since October 4, 1935, may obtain a loan of the complete regulations upon application to the Department of Trade and Commerce, Ottawa.

Mr. H. L. E. Priestman, Assistant Trade Commissioner at Auckland, writes that the new electrical supply regulations affect the standard requirements of certain apparatus such as powerhouse switchgear, insulators, meters, and cables used in transmission of electric power, and govern the characteristics of the various electric currents which are provided by the supply authorities in New Zealand.

These alterations, however, are not of a drastic nature, but are mainly consolidations and emendations of previous regulations. They revoke regulations published on July 12, 1927, and amendments published on July 4, 1929. The electrical wiring regulations revoke previous ones published July 12, 1921; July 4, 1929; October 1, 1931; and June 9, 1932 (radio).

Commercial Travellers' Licence Fee in Bermuda

Mr. G. A. Newman, Assistant Trade Commissioner at New York, writes that the Bermuda Non-resident Businesses Act, 1931, which was due to expire on December 31, 1935, is to be continued to 1940. This Act provides for a licence fee of £10 on non-resident commercial travellers.

Certificates of Origin for Belgium

Referring to reports published in *Commercial Intelligence Journal* Nos. 1583 (June 2, 1934), 1591 (July 28, 1934), 1603 (October 20, 1934), and 1630 (April 27, 1935), Mr. Henri Turcot, Canadian Trade Commissioner at Brussels, reports under date February 20 that Belgian Government requirements in connection with indirect shipments from Canada have been altered.

Until recently Belgian consular authorities in Holland, France, Great Britain, and other European countries were allowed to visé certificates of origin delivered in the countries where they were stationed for goods of extra-European origin transhipped to Belgium. Recently instructions were given them to the effect that they could only grant a visa for certificates of origin accompanying goods originating in the country in which they are located.

As a consequence of these new instructions it will now be necessary, for goods of Canadian origin transhipped in a European country, either to submit a certificate delivered and viséd in Canada or, if this is not available, a certificate from the customs authorities of the country of transshipment stating that the goods have remained under their control during the period of transit. As an alternative, the importer will be allowed to take possession of the goods upon his undertaking to produce as soon as possible a certificate delivered and viséd in Canada. This undertaking in writing will be submitted to the Belgo-Luxemburg exchange clearing office along with a duplicate of the commercial invoice and other relevant information, and this latter organization may, when they are satisfied that the goods are of Canadian origin, absolve the importer of the obligation to submit the certificate of origin.

Wheat Duty in Switzerland

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Rotterdam, writes under date February 17, 1936, that, by virtue of a Swiss Federal decree of January 31, the duty on wheat when imported into Switzerland has been increased from 60 centimes to 1 franc per 100 kilos (\$0.05 to \$0.08½ approximately per bushel).

The date upon which the new duty becomes effective has not yet been announced, but is still to be fixed by the Swiss Federal Council.

Stamp Tax on Swiss Customs Receipts

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, states that by virtue of a federal decree dated January 31, a stamp tax has been applied on all receipts issued for the payment of customs duties on merchandise imported into Switzerland. This tax, which became effective on February 1, 1936, amounts to 4 per cent of the sum received, with a minimum of 10 centimes.

Spanish Quota on Powdered Milk

Mr. J. C. Depocas, Assistant Trade Commissioner in Milan, writes under date February 18 that a Spanish decree recently published establishes regulations for the division of the quota of powdered milk for the year 1936. The total quota for imports from all countries had previously been fixed at 209,855 kilograms (see *Commercial Intelligence Journal* No. 1673 of February 22, 1936, page 312).

Under the new decree 80 per cent of the total quota is to be distributed among persons having imported during 1933 in proportion to their respective volume of imports, and the remaining 20 per cent is reserved for new importers and for certain special purposes. The total quota for 1936 is slightly in excess of the total imports in 1933 (the basic year of the quota).

Imports of powdered milk into Spain from Canada amounted to 2,768 kilograms (6,100 pounds) in 1933.

Spanish Quota on Lumber

Mr. A. B. Muddiman, Canadian Trade Commissioner in Milan, writes under date February 19 that a Spanish decree effective February 5, 1936, establishes an import quota on common wood in boards and planks exceeding 40 millimetres but not 75 millimetres (1.57 to 2.95 inches) in thickness. The total quota of this class of lumber for 1936 for imports from all countries is fixed at 160,972 metric quintals (17,740 tons), this being the average annual import during the period 1932-34.

Temporary Special Duty on Woodboards for the Manufacture of Pencils in China

Mr. H. A. Scott, Canadian Trade Commissioner in Shanghai, writes under date February 13, 1936, that in accordance with a China customs notification dated January 9, 1936, woodboards not exceeding 20 cm. in length, 7½ cm. in breadth, and 7 mm. in thickness, imported for manufacturing pencils, are to be classified temporarily under import tariff heading No. 586 (b) from January 1, 1936, and will be dutiable at the rate of 4.80 gold units (one gold unit equals U.S.\$0.67) per cubic metre net measure.

The customs notification states that the above ruling will not be applied to pencil boards exceeding the dimensions laid down, or to boards which, although conforming with the specified dimensions, are intended for other purposes.

Previous to this customs notification, woodboards for manufacturing pencils were classified under import tariff heading No. 601 (L) and were subject to duty at the rate of 25 per cent ad valorem.

INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners, resident in territories where exchange control is in force, are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 9

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending March 9, 1936, with the official bank rate. Quotations for the week ending March 2, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 2	Nominal Quotations in Montreal Week ending March 9	Official Bank Rate
Austria	Schilling	.1407	\$.1897	\$.1886	3½
Belgium	Belga	.1001	.1704	.1701	2
Bulgaria	Lev	.0072	.0130	.0130	6
Czechoslovakia	Krone	.0296	.0419	.0419	3
Denmark	Krone	.2680	.2229	.2222	3½
Finland	Markka	.0252	.0221	.0219	4
France	Franc	.0392	.0668	.0664	3½
Germany	Reichsmark	.2382	.4063	.4044	4
Great Britain	Pound	4.8666	4.9900	4.9800	2
Greece	Drachma	.0130	.0094	.0095	7
Holland	Guilder	.4020	.6868	.6825	2½
Hungary	Pengo	.1749	.2973	.2963	4
Italy	Lira	.0526	.0803	.0800	5
Jugo-Slavia	Dinar	.0176	.0232	.0232	5
Norway	Krone	.2680	.2507	.2500	3½
Portugal	Escudo	.0442	.0455	.0451	5
Roumania	Leu	.0060	.0077	.0076	4½
Spain	Peseta	.1930	.1384	.1375	5
Sweden	Krona	.2680	.2572	.2565	2½
Switzerland	Franc	.1930	.3303	.3291	2½
United States	Dollar	1.0000	.9990	1.0003	1½
Poland	Zloty	.1122	.1907	.1901	5
Argentina	Peso (Paper)	.4245	.3326	.3316	—
Brazil	Milreis (Paper)	.1196	.0829	.0824	—
Chile	Peso	.1217	.0509	.0510	4½
Colombia	Peso	.9733	.5792	.5741	4
Mexico	Peso	.4985	.2773	.2778	4-5
Peru	Sol	.2800	.2486	.2486	6
Venezuela	Bolivar	.1930	.2600	.2601	—
Uruguay	Peso	1.0342	.8010	.7980	—
China (Shanghai)	Dollar	.....	.3000	.2987	—
Cuba	Peso	1.0000	.9985	.9995	—
Hongkong	Dollar	.....	.3275	.3256	—
India	Rupee	.3650	.3763	.3751	3
Japan	Yen	.4985	.2894	.2911	3.65
Java	Guilder	.4020	.6898	.6872	4
Siam	Baht (Tical)	.4424	.4496	.4561	—
Straits Settlements	Dollar	.5678	.5845	.5823	—
South Africa	Pound	4.8666	4.9850	4.9750	—
British Guiana	Dollar	1.0138	1.0400	1.0375	—
Jamaica	Pound	4.8666	5.0000	4.9925	—
Other British West Indies	Dollar	1.0138	1.0400	1.0375	—
Martinique	Franc	.0392	.0668	.0664	—
Guadeloupe	Franc	.0392	.0668	.0664	—
Australia	Pound	4.8666	3.9925	3.9850	—
Egypt	Pound (100 Piastres)	4.9431	5.1200	5.1000	—
New Zealand	Pound	4.8666	4.0250	4.0175	—
Argentina	Free	Free	.2752	.2478	—
Brazil	Free	Free	.0564	.0560	—
Chile	Free	Free	.0409	.0410	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

News relating to exchange markets was scarce during the first week of March, and rates fluctuated narrowly. The French franc was inclined to be weaker, and sterling also declined moderately. It is understood that sterling-franc rates are being maintained as stable as possible in order to facilitate loan transfer operations. Montreal rates on the United States dollar advanced to par during the week, removing a discount of approximately ¼ of 1 per cent.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Victoria, B.C.
Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Chocolates and Confectionery for Bazaar Trade.	135	Medan, Sumatra	Purchase and Agency.
Strawberry Pulp	136	Cape Town, South Africa . .	Agency.
Seed Potatoes	137	Havana, Cuba	Agency.
Miscellaneous—			
Seaweed	138	Liverpool, England	Purchase.
Newsprint	139	Havana, Cuba	Agency.
Plywood for Aircraft	140	Bangkok, Siam	Agency.
Spruce Planks and Boards	141	Havana, Cuba	Purchase.
Sole Leather	142	Havana, Cuba	Purchase.
Glace Kid, Calf and Patent Upper Leather.	143	Cape Town, South Africa . .	Agency.
Raw Hides	144	Havana, Cuba	Agency.
Sporting Goods	145	Medan, Sumatra	Purchase and Agency.
Tin Lunch Boxes	146	Cardiff, Wales	Purchase.
Electric Ironers	147	Cape Town, South Africa . .	Agency.
Pure Natural Carbonic Acid Gas	148	Port Louis, Mauritius	Agency.
Spiegeleisen	149	Vienna, Austria	Purchase.
Silico Spiegel	150	Vienna, Austria	Purchase.
Ferro Manganese	151	Vienna, Austria	Purchase.
Ferro Silicon	152	Vienna, Austria	Purchase.
Crystallized Fluorspar	153	Jena, Germany	Purchase.
Lead Ore	154	Vienna, Austria	Purchase.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To Liverpool.—Montcalm, March 21; Duchess of Bedford, March 29; Montclare, April 4; Duchess of York, April 11—all Canadian Pacific; Antonia, Cunard-White Star Line, March 22; Incemore, Furness Line, March 28; Manchester Hero, Manchester Line, April 3; Lehigh, Oriole Line, March 25.

To London.—Beaverford, March 20; Beaverhill, March 27; Beaverdale, April 3; Beaverburn, April 10—all Canadian Pacific; Ascania, March 21; Aurania, March 28; Ausonia, April 4; Alaunia, April 11—all Cunard-White Star Line; Waukegan, March 28; Capulin, April 10—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Citizen, March 21; Manchester Brigade, March 28; Manchester Hero, April 3; Manchester Producer, April 11; Manchester Commerce, April 18—all Manchester Line.

To Aberdeen, Newcastle and Hull.—Gitano, April 10; Kelso, April 29—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Boston City, March 24; New York City, April 4; Bristol City, April 22—all Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnesk, March 23; Cairnglen, April 11—both Cairn-Thomson Line (call at Dundee).

To Avonmouth, Cardiff and Swansea.—Dakotian, March 16; Norwegian, April 13—both Cunard-Donaldson and Dominion Lines.

To Glasgow.—Dakotian, March 16; Sulairia, March 30; Norwegian, April 13; Airthria, April 20—all Donaldson-Atlantic Line.

To Antwerp.—Westernland (calls at Southampton), Red Star Line, March 23.

To Hamburg.—Beaverhill, Canadian Pacific, March 27; Waukegan, March 28; Capulin, April 10—both American Hampton Roads (call at Hull and Leith).

To Copenhagen, Gothenburg and Baltic Ports.—Drottningholm (does not call at Copenhagen), Swedish-America Line, March 23; Korsholm, March 30; Svaneholm, April 21—both Swedish-America-Mexico Line.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Furness-Red Cross Line, March 16; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., March 18; Belle Isle, Newfoundland-Canada SS. Co., March 23; Magnhild, G. T. Shaw, March 23; Incemore (does not call at St. Pierre), Furness Line, March 28.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, March 26; Lady Nelson, April 9—both Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 30.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, March 19; Lady Somers, April 2—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B, March 25; Ciss, April 8—both Pickford & Black Ltd.

To Hamilton (Bermuda), Puerto Rico, Barbados, Trinidad and Demerara.—Colborne (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, April 4.

To Kingston, Jamaica.—Cavalier, March 26; Cathcart, April 9—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Japanese Prince, March 28; Silversandal, April 11; Chinese Prince, April 25—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Constructor, March 27; Canadian Cruiser, April 30—both Canadian National.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Highlander, March 17; Canadian Britisher, April 24—both Canadian National.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Salawati, Java-New York Line, March 30.

From Saint John

To Liverpool.—Montcalm, March 20; Duchess of Bedford, March 28; Montclare, April 3; Duchess of York, April 10—all Canadian Pacific.

To London.—Beaverford, March 19; Beaverhill, March 26; Beaverdale, April 2; Beaverburn, April 9—all Canadian Pacific.

To Manchester.—Manchester Citizen, March 19; Manchester Brigade, March 26; Manchester Hero, April 1; Manchester Producer, April 9; Manchester Commerce, April 16—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Donaldson and Dominion Lines, April 11.

To Glasgow.—Sulairia, March 28; Norwegian, April 11; Airthria, April 18—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk, March 21; Cairnglen, April 9—both Cairn-Thomson Line (call at Dundee).

To Dublin and Belfast.—Kenbane Head, March 17; Fanad Head, March 26—both Head Line (cargo accepted for Londonderry and Cork).

To South France and Italian Ports.—Sonja, Canada-Mediterraneo Line, March 19.

To Antwerp and Havre.—Grey County, March 18; Hada County (does not call at Havre), March 25; Brant County, April 7—all County Line.

To Rotterdam.—Hada County, March 25; Brant County, April 7—both County Line.

To Hamburg.—Beaverhill, Canadian Pacific, March 26.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, March 18; Lady Nelson, April 1; Lady Hawkins, April 15—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 24.

To Kingston and Jamaican Outports.—San Bruno, United Fruit Line, March 19.

To Manila, Hongkong, Shanghai and Dalny.—City of Christchurch, Canada-Far East Line, April 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—Calumet (calls at Sierra Leone and Lourenco Marques), Elder-Dempster Line, March 27.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Glasgow, Canada-India Service, March 28.

To Montevideo and Buenos Aires.—Adderstone (does not call at Montevideo), International Freighting Corp., March 17; Tacoma, Canada-South America Line, March 28.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, April 4; Hikawa Maru, April 18; Hiye Maru, May 2—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls Nagasaki), March 21; Empress of Japan (calls Honolulu), April 4; Empress of Asia (calls Nagasaki), April 18; Empress of Canada (calls Honolulu), May 2—all Canadian Pacific; Tyndareus, April 5; Ixion, May 3—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Kota Agoeng, March 31; Bintang, April 30—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, March 25; Niagara, April 22—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Cloud, Oceanic and Oriental Navigation Co., April 13.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Cape Horn, Canadian-Australasian Line, April 6.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., March.

To London and Cardiff.—A steamer, Reardon Smith Line, April.

To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer), Holland-America Line, April.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Canada, East Asiatic Co., April 10.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., March.

To Scandinavian Ports.—Annie Johnson, March 21; Canada, April 10—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Empire Shipping Co., March 23.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Brynje, Canadian Transport Co., March 30.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverwillow, April 6; Silverfir, April 15—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hardanger, March 17; Brandanger, April 16—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Granville (calls at Hull and Oslo), Anglo-Canadian Shipping Co., March 17; Corrientes (calls at Glasgow), Balfour Guthrie & Co., March 20; Dinteldyk (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., March 21; Pacific Exporter (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., March 26; Steel Trader (calls at Avonmouth), B. W. Greer & Son Ltd., April 17.

To United Kingdom Ports.—Geddington Court, Canadian Transport Co., March 25; Caithness, Anglo-Canadian Shipping Co., April 10.

To Shanghai.—Austvard, Ocean Shipping Co., March 16.

To Chinese and Japanese Ports.—Tyndareus, Dodwell & Co., March 19.

To Cape Town, Port Elizabeth, East London, Durban and Lourenco Marques.—Silver Elm, Dingwall Cotts & Co., March 20.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

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Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

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Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

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COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, March 21, 1936

No. 1677



Packing Canadian Smoked Salmon in a Hamburg Plant

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

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Ottawa, March 21, 1936

No. 1677

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, is making a tour of the principal centres of Canada in the interest of Canadian trade with Belgium.

His itinerary is as follows:—

Vancouver and Victoria..	Mar. 30 to Apr. 8	London, Chatham, Ingersoll, Stratford ..	Apr. 23
Toronto, Oakville, Oshawa	Apr. 13 to 18	Brantford ..	Apr. 24
Hamilton ..	Apr. 20	Smiths Falls ..	Apr. 27
Guelph ..	Apr. 21	Ottawa ..	Apr. 28 and 29
Kitchener, Hespeler, Galt	Apr. 22		

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Vancouver, Victoria, and Toronto, with the office of the Canadian Manufacturers Association; for Ottawa with the Department of Trade and Commerce; and for the other centres with the respective Board of Trade or Chamber of Commerce.

DISTRIBUTION OF UNITED KINGDOM OVERSEAS TRADE IN 1935

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, February 25, 1936.—Statistics have just been released by the Board of Trade giving details of the trade of the United Kingdom during 1935 by countries. This makes it possible to examine the territorial distribution of the overseas commerce of the United Kingdom and to review the visible trends which have developed during the past few years.

Again emphasis has to be laid on the stability and expanding tendency of trade exchanges with other British countries. As far as imports are concerned, the proportion drawn from Empire countries in 1935 (namely 36.63 per cent) was the highest ever attained since comparable returns were recorded. The corresponding percentage in 1934 was 37.16. In the case of domestic exports, the increase as compared with 1934 was more marked, and the proportion destined for British countries in 1935 (47.97 per cent) fell very little short of the highest on record, namely 48.09 per cent in 1926.

FLUCTUATIONS IN PRICE LEVEL

In considering the changes in percentage distribution shown in the subjoined table, it should be borne in mind that the figures do not take into consideration the alterations in the volume of trade due to fluctuations in the price level. It is recorded, however, that the value of imports during 1935 was 3.5 per cent greater than in 1934, this increase being due in almost equal parts to a rise of 1.6 per cent in prices and an increase in volume amounting to 1.9 per cent. In the case of exports of United Kingdom products, there was a slight

decline (0·5 per cent) in average values, and the increase in recorded values (7·6 per cent) is thus in harmony with the increase in volume (8·1 per cent). For re-exports, the increase of 7·8 per cent in recorded values represented an increase in volume of 13·6 per cent, average values having declined by 5 per cent since 1934.

EXPORTS AND IMPORTS

The broad divisions of trade with Empire and foreign countries respectively, as compared with 1924 and 1934, are given in the following table:—

	1924 £'000	1934 £'000	1935 £'000	1924 Per Cent	1934 Per Cent	1935 Per Cent
Imports from—						
British countries.. ..	385,987	271,802	284,866	30.22	37.16	37.63
Foreign countries.. ..	891,452	459,612	472,070	69.78	62.84	62.37
All countries	1,277,439	731,414	756,936	100.00	100.00	100.00
Exports (British produce) to—						
British countries.. ..	333,788	185,592	204,321	41.67	46.87	47.97
Foreign countries.. ..	467,179	210,394	221,600	58.33	53.13	52.03
All countries	800,967	395,986	425,921	100.00	100.00	100.00
Exports (imported merchandise) to—						
British countries.. ..	26,446	11,076	10,963	18.89	21.62	19.84
Foreign countries.. ..	113,524	40,167	44,302	81.11	78.38	80.16
All countries	139,970	51,243	55,265	100.00	100.00	100.00

GROWTH IN IMPORTS FROM EMPIRE SOURCES

The growth in imports from Empire sources was accomplished in spite of a very appreciable reduction in respect of New Zealand, largely because of heavy increases in arrivals of merchandise from Canada and Australia. The share of the United Kingdom's purchases from the Colonies, etc., was also greater than in 1934, the only significant decreases being in respect of British Malaya and Ceylon. Imports from India were proportionately much smaller than in 1934. The increase compared with 1934 in the proportion of the United Kingdom's export trade taken by the Dominions more or less matched that for imports, the Irish Free State alone showing a decrease. The share absorbed by the Colonies, Protectorates, etc., increased to a greater extent, the most marked rise being credited to West Africa. India, while still remaining the principal market of the mother country, took a smaller volume than in 1934.

SOURCES OF IMPORTS

Surveying the relative importance of the chief countries catering to the needs of British consumers, the Board of Trade's compilation shows that the United States is at the head of the list. In 1935, 11·56 per cent of the total imports into Great Britain were consigned from the United States as compared with 11·21 per cent in 1934. The corresponding figure in 1924 was 18·88 per cent. The actual loss of trade experienced by the United States through the falling off in United Kingdom orders has therefore been substantial. Canada, having moved up in 1934 to the second place among suppliers to this country, from fourth in 1932, further consolidated her position in 1935. Still ranking next after the United States, the Dominion's share of the market rose from 6·89 per cent in 1934 to 7·40 per cent in 1935. (In 1924 the figure was 5·16 per cent.) Australia also went ahead, her position being third in 1935, with 7·17 per cent, against 6·83 per cent in 1934 and 4·62 per cent in 1924. While Argentina lost ground, her percentage falling from 6·43 in 1934 to 5·81 per cent in 1935, she is still in fourth place. India is fifth with 5·43 per cent, and following in order of importance come New Zealand (5·04 per cent), Denmark (4·23 per cent), Germany (3·97 per cent), the Netherlands (3·05 per cent), Soviet Union (2·87 per cent), France (2·86 per cent), and Sweden (2·25 per cent).

DESTINATIONS OF EXPORTS

Reviewing the various markets for United Kingdom exports, it is again demonstrated that the preferences accorded to the mother country by the various Dominions, and the trade agreements concluded with certain foreign countries, have been of material benefit to United Kingdom producers. Britain's best customer is India, which took 8.88 per cent of the total shipments abroad in 1935. This compared with 9.26 per cent in 1934 and 11.31 per cent in 1924. South Africa is rapidly increasing in importance as an outlet for British goods, and the Union was credited with 7.89 per cent as against 7.63 per cent. Australia bought 6.90 per cent, and in spite of an increase from 4.98 per cent to 5.02 per cent, Canada is in fifth place, preceded by the United States with 5.37 per cent. This represented a very material increase from 4.44 per cent in 1934. The only other notable changes occurred in the case of Germany, whose percentage went up from 3.54 in 1934 to 4.45 in 1935, and of Italy, which declined from 2.36 per cent to 1.60 per cent, due of course to the application of economic sanctions.

VALUE PER CAPITA OF EXPORTS TO PRINCIPAL COUNTRIES

The Board of Trade have also estimated the value of the exports of United Kingdom merchandise to leading receiving countries, expressed in terms of the population. This interesting analysis indicates that the per capita consumption of United Kingdom products in New Zealand was £8 11s. 8d. in 1935, against £6 13s. 11d. in the case of the Irish Free State. The per capita consumption in Australia was £4 7s. 5d., in South Africa £3 18s. 2d., and in Canada £1 19s. 6d. Norway and Denmark were, as usual, the only foreign nations to compare in this respect with the Dominions, the Danes purchasing £3 14s. 3d. and the Norwegians £2 6s. 1d. per capita. A table is appended showing the value of the trade of the United Kingdom with the principal countries in 1933, 1934, and 1935.

UNITED KINGDOM TRADE WITH CANADA

Last year British imports from Canada showed a total increase of £5,269,123, or 11.4 per cent, as compared with 1934, and British exports to the Dominion increased by £1,660,913, or 8.4 per cent, a highly satisfactory mutual development.

TRADE OF THE UNITED KINGDOM (IMPORTS, EXPORTS, AND RE-EXPORTS) DURING 1933, 1934, AND 1935

BRITISH EMPIRE

	1933	1934	1935
Canada—			
Imports	£46,215,796	£50,390,335	£55,995,358
Exports	17,443,823	19,726,235	21,387,148
Re-exports	1,111,512	1,388,275	1,175,149
British India—			
Imports	37,351,929	42,102,298	41,129,215
Exports	33,402,404	36,674,581	37,814,514
Re-exports	690,929	539,887	622,574
Australia—			
Imports	48,551,240	49,928,685	54,307,261
Exports	21,340,614	26,243,415	29,388,142
Re-exports	735,951	714,603	700,076
New Zealand—			
Imports	37,171,312	40,439,546	38,126,929
Exports	9,546,893	11,437,971	13,359,908
Re-exports	258,083	260,306	272,514
British West Indies—			
Imports	5,757,061	6,295,091	7,081,616
Exports	4,632,188	4,860,082	4,972,818
Re-exports	170,098	140,161	148,386

TRADE OF THE UNITED KINGDOM (IMPORTS, EXPORTS, AND RE-EXPORTS) DURING
1933, 1934, AND 1935—*Continued*

BRITISH EMPIRE—*Concluded*

Union of South Africa—	1933	1934	1935
Imports	14,415,564	11,890,721	13,691,993
Exports	23,354,948	30,218,990	33,596,390
Re-exports	614,932	626,841	655,476
Irish Free State—			
Imports	17,791,254	17,199,774	18,747,072
Exports	19,033,595	19,525,264	20,179,563
Re-exports	4,634,507	5,279,547	4,924,305
West Africa—			
Imports	5,749,770	6,090,773	8,230,487
Exports	7,362,219	2,943,421	9,293,736
Re-exports	498,236	385,518	499,999
East Africa—			
Imports	4,162,481	3,047,281	3,499,238
Exports	2,191,836	2,443,105	2,924,859
Re-exports	67,622	54,758	71,526
Straits Settlements—			
Imports	3,562,198	9,099,884	7,265,794
Exports	4,470,889	5,728,094	5,880,483
Re-exports	94,897	114,497	125,972

FOREIGN COUNTRIES

United States—	1933	1934	1935
Imports	£75,812,684	£81,956,185	£87,501,501
Exports	19,136,885	17,570,827	22,884,360
Re-exports	7,070,302	5,641,950	7,224,615
France—			
Imports	19,085,263	19,236,112	21,636,632
Exports	18,152,099	16,751,170	16,707,807
Re-exports	7,624,777	6,719,363	6,809,317
Germany—			
Imports	29,814,174	30,578,031	30,043,768
Exports	14,821,224	14,008,483	18,944,458
Re-exports	9,777,338	8,899,396	7,456,736
Italy—			
Imports	9,183,512	8,421,870	7,919,461
Exports	9,050,134	9,313,689	6,796,052
Re-exports	882,406	1,223,276	1,350,196
Belgium—			
Imports	12,918,076	14,562,926	15,494,816
Exports	8,833,744	8,795,567	8,684,067
Re-exports	4,107,132	4,110,602	4,442,571
Netherlands—			
Imports	18,602,932	20,947,063	23,103,591
Exports	12,371,453	12,089,529	11,664,899
Re-exports	1,975,742	1,991,094	2,300,634
Denmark—			
Imports	35,428,306	32,885,245	32,037,485
Exports	11,797,463	13,356,676	13,764,922
Re-exports	476,948	730,765	776,322
Norway—			
Imports	6,961,296	8,359,000	8,211,658
Exports	5,553,208	6,291,708	6,620,163
Re-exports	260,577	254,238	386,054
Sweden—			
Imports	15,938,166	17,926,297	17,012,795
Exports	7,175,142	9,083,291	9,721,245
Re-exports	673,818	792,599	819,172
Soviet Union—			
Imports	17,491,099	17,326,619	21,733,509
Exports	3,341,414	3,640,460	3,505,240
Re-exports	957,356	3,905,431	6,205,991
Spain—			
Imports	11,166,100	11,262,601	11,325,912
Exports	4,492,675	4,704,465	5,353,342
Re-exports	214,496	274,224	412,868
Greece—			
Imports	2,307,569	2,286,741	2,069,120
Exports	1,958,314	2,682,181	2,924,950
Re-exports	107,422	239,691	282,227

TRADE OF THE UNITED KINGDOM (IMPORTS, EXPORTS, AND RE-EXPORTS) DURING
1933, 1934, AND 1935—*Concluded*FOREIGN COUNTRIES—*Concluded*

Egypt—	1933	1934	1935
Imports	12,387,190	11,469,828	12,737,782
Exports	6,260,049	6,528,322	7,664,572
Re-exports	184,187	226,335	205,199
Argentina—			
Imports	41,687,313	47,029,541	43,994,866
Exports	13,073,149	14,654,653	15,262,921
Re-exports	214,107	248,978	343,978
Brazil—			
Imports	4,806,960	8,439,866	7,209,897
Exports	6,165,293	5,741,541	4,764,623
Re-exports	152,521	140,376	139,420
China—			
Imports	5,095,071	6,142,313	6,271,208
Exports	6,299,987	6,513,404	5,022,450
Re-exports	113,243	79,683	36,435
Japan, including Formosa—			
Imports	6,200,412	7,983,195	8,270,522
Exports	4,187,306	3,809,514	4,007,046
Re-exports	140,492	165,208	131,207

UNITED KINGDOM BALANCE OF PAYMENTS IN 1935

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, March 2, 1936.—An estimate of the net balance on all transactions between the United Kingdom and other countries in 1935 has just been issued by the Board of Trade. This reveals a surplus on the credit side of £37,000,000, the first favourable result since 1930 when the credit balance was £28,000,000. In 1934 there was a debit of £2,000,000, while in 1933 receipts and out-goings were practically equal. The normal situation may be gauged by the fact that in 1928 the United Kingdom was a creditor to the extent of £122,000,000.

Exchanges of merchandise in 1935 showed an excess of £275,700,000, or £8,500,000 less than in 1934. The movement of silver, however, consequent upon the silver-buying policy of the United States, helped materially to reduce this excess. Exports were £14,500,000 greater than imports, so when silver is included the net adverse trading balance in 1935 works out at £261,200,000.

Against this amount various items composing the "invisible exports" have to be reckoned. Chief among these is the income accruing to residents of the United Kingdom with investments abroad. The amount which this is calculated to have realized in 1935 was £185,000,000, or £10,000,000 more than in 1934. The Board of Trade express the view that this estimate is on the conservative side.

A large volume of internal trade was responsible for a rise of £5,000,000 in the earnings abroad of the mercantile marine, making the total from this source £75,000,000. The item "commissions" (which includes such services as acceptance credits, discount on foreign bills, bank interest, merchanting commissions, insurance remittances from overseas, etc.) is expected to amount to £30,000,000, the same as in the previous year. Miscellaneous revenue arising from film royalties, sales of second-hand ships, etc., is computed at £10,000,000.

The state of the trading accounts is shown at a glance in the following table. For purposes of comparison the figures for the two previous years are also given:—

	1933	1934	1935
	In Million Pounds		
Excess of imports of merchandise and silver bullion and specie..	263	294	261
Estimated excess of government payments made overseas* .. .	2	...	2
Total	265	294	263
Estimated excess of government receipts from overseas* .. . .	...	7	...
Estimated net national shipping income†	65	70	75
Estimated net income from overseas investments	160	175	185
Estimated net receipts from commissions, etc.	30	30	30
Estimated net receipts from other sources	10	10	10
Total	265	292	300
Estimated total credit or debit balance on items specified above	...	-2	+37

* Including some items on loan accounts. † Including disbursements by foreign ships in British ports.

While the above statement may be regarded as presenting an approximation of the situation, the Board of Trade make no claim to absolute accuracy in the compilation of the estimate. The statistical facilities existing in this country for arriving at a perfectly true result are limited, and the figures are merely provisional, although the best obtainable in the short space of time available since the end of the year.

SCOTTISH MARKET CONDITIONS FOR FISH MEAL AND FISH OIL

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

FISH MEAL

Glasgow, February 27, 1936.—White fish meal, used in Scotland in the preparation of various composite feeds for live stock and poultry, is produced in considerable quantities, chiefly at Aberdeen. At the same time there is practically always a demand for fish meal from foreign and Empire sources.

There is no method of comparing Scottish production of fish meal with actual consumption, which appears to be increasing and is likely to continue to do so as feeders of live stock gradually come to recognize its value. Within quite recent years the Imperial Economic Committee surveyed the potential market in the United Kingdom and estimated it at over 400,000 tons annually, provided that all live stock feeders would use it in its proper proportions. Certainly the actual market has not attained anything like these figures as yet, and the better known oilcakes of various kinds are probably still used to a greater extent than fish meal. Production has increased rapidly in the past ten years due to improved fishing methods, the total British output in 1935 having amounted to about 90,000 tons as compared with 62,000 tons in 1931 and 40,000 tons in 1925.

FISH MEAL LARGELY AN ENTREPÔT TRADE

It is, however, unnecessary to speculate as to the balance between local production and consumption, for the reason that Germany and Holland always buy a considerable share of the British output of fish meal, and experience shows that these exports have to be replaced, to a certain extent at least, by imports. Furthermore, it is apparent, in view of the estimate of the Imperial Economic Committee regarding potential consumption, that an opportunity exists to increase materially the sale of this commodity when desired. Finally—and quite apart from any considerations of local supply and demand—activity among Scottish dealers in this commodity is very sensitive to world market conditions, and is largely dependent on price. The fish meal trade in Scotland is to a large extent an entrepôt trade, and many shipments ordered to Glasgow

or Leith may never be unloaded at those ports but forwarded to Dutch or German ports.

SOURCES OF SUPPLY

The usual foreign sources of supply for Scottish fish meal merchants are Scandinavia, Canada, India, Japan, and the United States.

Relative prices of different fish meals are governed to a very large extent by the chemical analysis. The price of "lean" fish meal is considerably higher than that of meal made from "fat" fish, even when the oil has been extracted. Whiteness also adds to the value, but not so much in Scotland as in Germany.

PACKING AND SHIPPING

For the Scottish market fish meal should be packed in hundredweights (112 pounds) in bags of new jute or burlap or in old flour bags. On account of its disagreeable odour, it is well to arrange beforehand with shipping companies to accept cargo of this kind. Storage space must be dry because of the tendency of fish meal to absorb moisture, and it must also be cool, as a slight increase in temperature will cause decomposition.

FISH OIL

Fish oil, as dealt with in this report, is that obtained from the whole fish (herring, pilchard, sardine, mackerel, and salmon); medicinal oil as obtained from the livers of cod, haddock, and halibut is not taken into consideration.

USES AND SOURCES OF SUPPLY

Fish oil is used in Scotland in the manufacture of soap, in paints and linoleum, as a sizing for leather, for tempering steel, and, in certain cases, for edible purposes such as the manufacture of margarine.

Pilchard oil and Japanese sardine oil have a drying quality which makes them useful for paints and linoleum. Pilchard, herring, and whale oil of the highest quality and with very low free fatty acid content can be used by hydrogenators for edible purposes.

Foreign sources of supply for fish oil include the Southern whale fisheries, Norway, Iceland, Japan, and Canada.

PRESENT STATE OF MARKET

Indications are that the fish oil market will remain firm for the next ten or twelve months. The 1936 production of the Southern whale fisheries has all been sold in advance. Japanese supplies appear scarce at present, and Norway is not offering at all freely.

No mention of current prices either for meal or oil is made in this report as these commodities are subject to such rapid fluctuation that information of this kind is likely to be entirely valueless by the time that this is published.

FRUIT PULP IN SCOTTISH JAM TRADE

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, March 6, 1936.—There are twenty-three jam factories in Scotland, and where possible they use fresh fruit in the preparation of their products; but, as fresh fruits are in most cases scarce and expensive, they depend to a far larger extent on imported fruit pulps, preserved without sugar.

From all points of view—consumer, manufacturer, and distributor—it is fortunate that jam can be made from fruit pulps. If the manufacturers were

confined to the use of fresh fruits, their product would be lacking in variety and would be sold in relatively small quantities as a luxury. Jam made from the best fruit pulps, however, is, according to the Fruit Report of the Imperial Economic Committee (June, 1926), as palatable and nutritious as that made from fresh fruit. Consequently this product can be made in wide variety and sold in large quantities as a staple article of diet.

VARIETIES

Practically all varieties of fruit used for making jam in Scotland can be used in pulp form. Those most commonly used in this form are: strawberries, plums, black currants, and apricots. Others that may be used as pulp when local supplies of fresh fruit are insufficient are raspberries, damsons, brambles, and gooseberries.

Holland and France, in the order named, are the chief sources of supply for all fruit pulps with the exception of apricot, which is supplied principally by Spain. Tasmania provides some black currant pulp, and Canada has recently been shipping strawberry pulp to Scotland.

PACKING

Oak barrels containing from 3 to 4 cwts. are almost universally used for fruit pulp of all kinds, but hermetically sealed tins have been used successfully for black currant and raspberry. The Tasmanian pack, it is said, is entirely in 5-kilogram tins. Some Canadian shipments in oak barrels have met the criticism here that the barrels have too small a bunghole. A $2\frac{1}{2}$ -inch bunghole is what manufacturers prefer, as 1-inch bungholes, the size objected to, make emptying a very slow process unless the barrel is damaged by breaking in the head.

The Dutch pack of strawberry pulp contains a considerable proportion of water, the contents of a cask with net weight of $152\frac{1}{2}$ kilos being made up as follows: fruit, 135 kilos; water, 13.5 kilos; preservative, 4 kilos. This is a factor to be taken into consideration by Canadian shippers when quoting prices to meet Dutch competition. For general guidance, a price of £45 per long ton c.i.f. Glasgow for Canadian strawberry pulp will be competitive with quotations of £35 f.o.b. Holland. The difference is made up of freight, duty, and allowance for excessive water content.

PROSPECTS

The chief opportunity for Canadian shippers to share in the supplying of fruit pulp to this market is in strawberries. Canadian strawberry pulp is already favourably known, and sales can undoubtedly be increased to several times their present volume whenever it is possible to quote competitive prices.

Quality, of course, must be maintained, and British regulations concerning the use of chemical preservatives must be strictly complied with. Information concerning these regulations is available on application to the Department of Trade and Commerce, Ottawa.

Canadian supplies so far have been coming chiefly from the Pacific Coast. Eastern growers, being nearer to this market, might find it advantageous to increase their cultivation of strawberries in order to take advantage of the opportunity offered here.

HARDWOOD FLOORING IN SOUTH AFRICA

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, February 14, 1936.—A commodity with outstanding possibilities in the South African market is hardwood flooring, such as birch, maple, and beech, both in strips and blocks.

A number of better-class homes—and there are many fine homes now being built as the result of present prosperity—that previously would have had jarrah, teak, or oak flooring are now being constructed with Eastern Canadian hardwood flooring. The interest being displayed in this product would, however, be greatly increased if Eastern exporters of hardwoods would arrange for the distribution among architects, contractors, and quantity surveyors of leaflets and booklets describing the merits and beauty of Canadian hardwoods. The type of house in which hardwood flooring is used is almost invariably designed by a qualified architect, who, if he is acquainted with the merits of Eastern Canadian hardwoods, is in a position to suggest their use for flooring purposes. Furthermore, birch and beech are at present prices competitive with the best teak and jarrah, and even first quality maple flooring is only slightly more expensive than the best grade of oak.

PRICES

Following is a list of prices on different kinds of wood flooring as quoted retail by a leading Cape Town timber merchant. The prices are per square yard for stripped flooring laid and polished:—

	Per Square Yard				Per Square Yard		
	s.	d.	s. d.		s.	d.	s. d.
Teak	13	2		Birch, clear	9	1	
Maple	10	6		Birch, other grades	7	4	and 6 4
Pitch pine	10	1		Douglas fir, edge grain	5	9	
Oak, best grade	10	1		Douglas fir, plain	4	7	
Oak, other grades	7	4	and 6 4	Hemlock	5	9	
Jarrah	9	10		Baltic	3	9	
Beech	9	1					

Advantage should be taken of the present building boom in South Africa to make Canadian hardwoods better known. Building plans passed each month still remain at a high level. In November, 1934, the value of these was £1,100,000; for the corresponding month of 1935 the value was £1,600,000. When the present building activity in Johannesburg has declined, construction work in the port cities of Cape Town, Durban, Port Elizabeth, and East London will probably continue, especially in Cape Town, where the residents started much later than in Johannesburg to expand, rebuild, and generally experience the result of the present high return from gold.

Furthermore, there is a high freight rate to be added to what is already considered a high price for inland shipments. This in many cases makes the use of Canadian hardwoods, or any other hardwood that has to be imported, very expensive indeed for use in the inland cities. For the coast cities, however, Canadian hardwoods should find a steadily increasing market. The Canadian hardwood most favoured at the present time is birch. An outstanding opportunity for advertising Canadian hardwoods will be afforded at the coming Johannesburg Empire Exhibition to be held from September 15, 1936, to January 15, 1937.

IMPORTS

The imports of flooring into South Africa are not well defined, and are classified in the South African statistics under the heading of "flooring and ceiling, plain, tongued, and grooved"; it follows then that some portion of the

figures cover wood for ceiling. It must also be borne in mind that a large quantity, especially of Baltic flooring, comes into this country and is not classified as flooring.

Imports for 1933 and 1934, with the main supplying countries, are as follows:—

Flooring and Ceiling, Plain, Tongued, and Grooved

	1934		1933	
	Cu. Ft.	£	Cu. Ft.	£
Total	3,264,506	290,630	2,438,440	173,829
Finland	1,627,474	134,479	831,661	54,990
Sweden	864,126	73,790	1,127,556	78,231
Norway	393,140	35,383	377,913	28,015
United States	195,185	28,401	53,667	7,564
Russia	74,066	5,553	3,347	207
Canada	54,669	8,749	11,144	2,147

The increase in 1934 as compared with 1933 is over 750,000 cubic feet, and Canada's share shows an even larger percentage increase. As evidence that the Dominion is making steady progress in the South African market, total imports in 1929, a boom year, amounted to 3,870,410 cubic feet, or larger than 1934 by 500,000 cubic feet, but imports from the Dominion in that year amounted to only 10,344 cubic feet. When import figures for 1935 are available, it will be found that not only are total imports higher than in both 1929 and 1934, but that Canada's share will again have shown a large percentage increase. However, the percentage of Eastern Canadian hardwoods making up this total is small compared with that of Douglas fir from the West Coast. Sweden suffered the greatest loss of business. Whereas in 1929 she supplied flooring and ceiling to the extent of 1,733,970 cubic feet, the figure had dropped in 1934 to 864,126 cubic feet.

PACKING

A grade of twine that has proven satisfactory for tying bundles of flooring for domestic shipments may not stand the strain placed on an export shipment. It is suggested, therefore, that exporters use an exceptionally strong type of twine in order to avoid complaints and claims at point of destination.

CUSTOMS TARIFF

There is no tariff preference on Canadian flooring entering South Africa, the rate being 3 per cent ad valorem from all countries. Under the Ottawa-South Africa Trade Agreement, Canada, however, is entitled to the lowest rate of duty accorded to any country.

DISTRIBUTION

The best method of distribution is undoubtedly through a manufacturers' agent, who, working on a commission basis, endeavours to sell to all merchants. There have been cases, however, of merchants insisting on Canadian manufacturers confining sales to them for their particular area or town. The advantages of such a concession are more pronounced during the preliminary or introductory stage, but later on this method becomes a disadvantage. The local merchant maintains that it is of no advantage to him to advertise, say, birch flooring, unless he is able in some way to connect his own name with such advertising and ensure that prospective purchasers will be directed to him and not to his merchant competitor. However, unless an exporter is enjoying a substantial share of the market, it is a handicap not to be able to sell to all dealers.

Selling through a manufacturers' agent, of course, necessitates the paying of a commission, which in the case of hardwood flooring is 5 per cent. This

increases the price to the merchant buying through an agent as compared with a merchant who is able to buy from the exporter direct. An exporter should bear this in mind and quote accordingly on orders received direct from merchants.

Further information on representation in South Africa is contained in the pamphlet entitled "Points for Exporters to South Africa," which is available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

MARKET FOR PLOUGHS IN SOUTH AFRICA AND RHODESIA

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, February 12, 1936.—There is a large market in the Union of South Africa and the Rhodesias for a cheap, light single-furrow plough for the native trade. Unfortunately, the import statistics of these territories lump ploughs along with other agricultural implements, and the exact size of the market cannot therefore be stated. Some idea of the size of the market, however, can be gained from the fact that one merchant has advised this office that he alone can dispose of from 5,000 to 10,000 of these ploughs per annum.

At the present time most of these ploughs are coming from the Continent, but recently the products of the principal Continental supplier have fallen into disfavour throughout the Union and the Rhodesias. Merchants throughout these markets therefore are eagerly searching for other, and preferably Empire, sources of supply. The prices at which the Continental ploughs are being offered are extremely low, ranging from about 19s. 6d. to 38s. 6d. c.i.f., but it is believed that merchants would be prepared to pay slightly higher prices for Canadian ploughs.

Ploughs enter the Union of South Africa free of duty from all countries. In Southern Rhodesia they are free of duty under the preferential tariff and subject to 5 per cent ad valorem under the general tariff. In Northern Rhodesia they are free of duty from all countries throughout the Congo Basin area; in the Zambesi Basin they are free of duty under the preferential tariff and subject to 5 per cent ad valorem under the general tariff.

The attention of Canadian manufacturers is drawn to the trade inquiry accompanying this report, which appears in this issue of the *Commercial Intelligence Journal* (page 508). Illustrations and full details of the types of ploughs most in demand, together with the c.i.f. prices of each variety, are on hand in the Department of Trade and Commerce, and may be had on request (quote file No. 24072).

FIRST INDIAN WHEAT CROP FORECAST, 1935-36

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, February 10, 1936.—The first Indian wheat forecast of 1935-36, based on reports received from provinces and states comprising slightly more than 98 per cent of the total wheat acreage in India except Kashmir, and covering conditions up to the beginning of January, shows that the total area under cultivation is estimated at 32,763,000 acres as compared with 33,168,000 acres (revised) at the end of December, 1934, or a decrease of 1 per cent. Although climatic conditions at the time of sowing were not, on the whole, quite favourable, the present prospects of the crop are considered fairly good.

The area under cultivation in the Punjab up to the end of December last is reported to be 9,983,000 acres, an increase of 3 per cent; in the United Provinces

7,305,000 acres, a decrease of 8 per cent; in the Central Provinces and Berar 3,634,000 acres, a decrease of 2 per cent; in the Presidency of Bombay proper 1,856,000 acres, a decrease of 4 per cent; and in Sind 1,112,000 acres, a decrease of 4 per cent. In Bihar and Orissa the estimated area under cultivation is given at 1,145,000 acres as against 1,176,000 acres at the end of December, 1935; in the Northwest Frontier Province 949,000 acres as against 924,000 acres; in Bengal 127,000 acres as compared with 152,000 acres; in Delhi 32,000 acres as against 25,000 acres; in Ajmer-Merwara 22,000 acres as compared with 19,000 acres; in the Central Provinces and Berar 2,155,000 acres as compared with 2,216,000 acres; in Rajputana 1,580,000 acres as compared with 1,368,000 acres; in Gwalior 1,646,000 acres as compared with 1,507,000 acres; in Hyberabad 1,152,000 acres as compared with 1,237,000 acres; in Baroda 63,000 acres as against 60,000 acres; and in Mysore the area under cultivation is reported to be 2,000 acres, practically the same as the corresponding figure of last year.

BELGIUM IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Brussels, February 19, 1936.—From an economic standpoint, the devaluation of the national currency, which took place on March 31, 1935, was the most striking event in recent years in Belgium. From 1929 to 1934 inclusive there was an uninterrupted and substantial decrease in external trade, while industrial production experienced a serious falling off, unemployment increased, agricultural products gave poor returns, numerous manufacturing plants worked at a loss, and the purchasing power of the population was contracted. Devaluation seems to have brought about a favourable change, and the past few months were characterized by somewhat different conditions. On the whole, devaluation has stimulated exports, caused a certain revival of industrial activity, relieved the money market, brought about an improvement in the home market, alleviated unemployment, and provided a larger margin of profit for the exporting industries.

PRICES

The wholesale and retail price indices, which have been steadily falling for the past few years, continued to move downward during the first three months of the year. This trend was completely changed following the devaluation and, beginning in April, prices have been increasing regularly.

The index of wholesale prices moved from 464 in March to 579 in December, a rise of 115 points, or about 25 per cent. The index was stable for a period of four months at around 552, but since then the general advance in world prices and seasonal increases have had a noticeable influence, especially on prices of raw materials, foodstuffs, and building materials; the progress was less marked in the case of manufactured goods.

Retail prices have also increased, at times to an alarming extent, without giving any indication of the level at which they might finally become stabilized. The index rose from 662 in August to 670 in September, 684 in October, and 689 in November, the last-named figure representing an increase of 9 per cent compared to the month of March. This is not excessive, considering that an increase of 15 per cent was generally expected to result from the devaluation.

PRICE INDEX

The following table compares the level of prices in 1934 and 1935 and also shows the effects of the devaluation on both the retail and wholesale price indices:—

Month	Wholesale		Retail	
	1935	1934	1935	1934
January	472	484	642	695
February	466	483	632	687
March	464	478	621	677
April	531	474	629	670
May	552	470	638	662
June	555	472	649	653
July	553	471	654	654
August	552	474	662	559
September	560	470	670	660
October	574	467	684	664
November	582	466	689	663
December	579	468	684	653

Basis: April, 1914, 100.

It will be noted that wholesale prices increased to a much greater extent than retail prices. This condition is considered to be highly desirable, and every effort is being made to maintain it, as a substantial advance in the cost of living would necessitate a higher level of salaries, which perforce would increase costs of production and thus reduce the margin of profit.

INTERNAL MARKET

The devaluation caused a notable expansion in the home market; a much greater volume of sales was experienced in all classes of goods. The result is a more normal relation between internal and foreign trade. In addition, many industries to the products of which foreign markets are closed have found some compensation in the improved demand for their goods at home. The index of department store sales (1927 equals 100) stood at 91 in December, 1935, compared to 74 in the same month of 1934 for clothing, while for furniture the index was 112 compared to 99, and for miscellaneous household goods 160 compared to 144. The same index for chain food stores stood at 136 at the end of 1935 compared to 121 in December, 1934.

FOREIGN TRADE

The one disappointing feature of the year was the limited extent to which foreign trade reacted to the devaluation. It was generally expected that the volume and value of exports would increase considerably due to lower prices in foreign currencies, but Belgium's natural foreign markets, particularly France and Holland, are highly protected, and this advantage in price was not sufficient to produce anything but a small increase in sales. The margin of profit, however, was much improved.

The following table of yearly imports and exports shows that the improvement in 1935 was not a very great step towards regaining the ground lost since 1929:—

Year	Imports In 1,000	Exports Belgian Francs	Ratio of Exports to Imports
1929	35,623,791	31,879,905	89.49
1930	31,094,242	26,158,994	84.13
1931	23,970,670	23,178,361	96.69
1932	16,342,964	15,123,765	92.12
1933	15,216,832	14,328,325	94.10
1934	14,021,271	13,698,285	97.10
1935	17,325,005	16,146,213	93.19

In comparison with 1929, the value of imports and exports in the last few years was represented by the following percentages:—

Year	Imports	Exports
1929	100.0	100.0
1930	87.3	82.1
1931	67.3	72.7
1932	45.9	47.4
1933	42.7	45.0
1934	39.4	43.0
1935	48.6	50.6

INDUSTRY

In 1935 activity was greater in practically all branches of industrial production. The coal industry benefited both from the devaluation, which allowed greater profits on export sales and afforded extra protection against imported coal, and by the constitution of a virtual trust which has put an end to disastrous price cutting within the country. Steel production generally was maintained at the same level as in 1934; it represented 75 per cent of the highest yearly output ever reached, which, in view of present conditions, must be considered as very satisfactory. Better prices were obtained both at home and abroad due to the strengthening of the International Steel Cartel, while the devaluation increased profits in terms of Belgian currency. Structural steel and rolling stock were an exception; their activity remained at a lower level. There was a noteworthy improvement in non-ferrous metals with the exception of lead, due to better world prices and the advantages of the devaluation. The glass industry is in better condition, and all sections of the textile trades have been specially favoured both at home and abroad. Building trades have experienced a real boom; building permits for new constructions almost doubled in number compared to 1934. In spite of a seasonal slowing up at the end of the year, the cement industry, stone quarries, and brick works were more prosperous. The paper industry also had a better year, as well as the alimentary products industries. On the other hand, the chemical industries are still severely affected by the falling off in foreign sales, while furniture-making seems to be in a very bad condition.

AGRICULTURE

Climatic conditions were, on the whole, not very satisfactory, and the quality and yield of agricultural products generally were below average except for cereals, where the yield was average and the quality good. Prices were slightly better for vegetables, but lower for practically all fruit. Cereals benefited from the increase in world prices. Cattle-breeding was slightly more remunerative.

UNEMPLOYMENT

At the end of 1934 there were 193,212 totally unemployed and 167,562 partially unemployed in Belgium. These figures are quite impressive when it is considered that the working population of the country is estimated at only 1,605,000. There was a notable improvement beginning with April, 1935, and at the end of November the above figures had been reduced to 143,407 and 93,012 respectively. The lowest figure was reached in October, when the number of totally unemployed fell to 130,981.

STOCK EXCHANGE

After a period of relative calm, which lasted until the middle of March, the Brussels Stock Exchange experienced a period of frenzied activity following upon the devaluation, when prices rocketed all along the line. However, a reaction set in at the end of May, and the tendency was downwards until the first days of October. Since then, with the exception of a few temporary setbacks, the trend has been steadily upwards and remarkable resistance was evident in spite of unsatisfactory political conditions.

MONEY MARKET

The rediscount rate of the National Bank stood at $2\frac{1}{2}$ per cent from the end of August, 1934, to May 16, 1935, when, in view of the stability of the money market and the great amount of available capital, the rate was reduced to 2 per cent. It has remained at that level since then.

The money market was erratic during part of the year because of uncertain political and economic conditions. After a period of very tight credit due to monetary difficulties, available capital became very abundant and an effort was made to reduce interest rates. A great deal of reticence has remained, however, on the part of the lenders. Banks are cautious because a substantial portion of their liquid assets are foreign deposits which might leave the country on very short notice, and also because the difficulties experienced before devaluation have not yet been forgotten. Private capital also is cautious and requires adequate guarantees. On the whole, however, the money market is becoming easier, and the tendency is definitely towards cheaper credit.

BANKING

The general depression and more particularly the devaluation of Belgian currency had a very bad effect on banks. Lack of confidence in the future of the currency, as early as March, caused heavy shipments of gold from the National Bank and withdrawals of deposits from private banks. In many instances the National Bank was forced to come to the assistance of private enterprises. These difficult circumstances showed up certain defects in the banking structure and important measures were taken by the Government to strengthen the position of banks and ensure a stricter control of their operations.

After the devaluation and subsequent stabilization the trend was reversed; gold flowed back to the National Bank and deposits in private banks increased to a point where their liquid position was considerably strengthened. Measures were also taken by the Government to regulate and control the floating of bond issues so as to cause a greater stability in prices of securities.

PORT OF ANTWERP

The port of Antwerp was more active than in the preceding year, both as regards the number of in-going and out-going vessels and the gross tonnage handled. In 1935 a monthly average of 927 vessels entered the port compared to a monthly average of 859 in 1934; the average monthly tonnage was 1,836,000 against 1,711,000.

The number of bankruptcies in 1935 was reduced to 758 compared to 1,218 in 1934 and 1,227 in 1933.

COMMERCIAL AGREEMENTS

The Belgian Government was very active during the year in the negotiation of commercial agreements. Agreements were concluded with the following countries: United States, Italy, Switzerland, and South Africa. In addition to the above, negotiations have been initiated for the conclusion of trade agreements with Poland and New Zealand. Special exchange clearing agreements were also arranged with Esthonia, Roumania, and Italy.

BUDGET

The budget for 1935 is expected to show a deficit of nearly 200 million francs, total expenditures amounting to over 10,108 millions and revenue to 9,909 millions.

This deficit amounted to much less than had been expected at the end of the first quarter of the year, the reduction being due both to a regression in expenditure and an increase in revenue. The improvement in revenue in the latter part of the year was the result of better economic conditions, greater business activity, and higher prices. An important bond conversion operation, on the other hand, had a direct effect in reducing debt charges.

The ordinary budget for 1936 has been estimated at 10,402 million against an expected revenue of 10,429 million, which would present a credit balance of

about 27 million. This is a great improvement over the previous year, especially as the estimate of revenue is considered to be quite conservative.

The total public debt stood at 55 billion francs on September 25, 1935, the internal debt being 32 billion and the external debt 22 billion. There is an increase of 6,405 million in the total debt compared to September 30, 1934, but the service of the debt, as stated above, is considerably lower due to the bond conversion operation effected in 1935.

NETHERLANDS COMMODITY MARKETS IN 1935

I

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one metric ton equals 2,205 pounds; one florin equals Can.\$0.402 at par and approximately \$0.67 at current rate of exchange)

Rotterdam, February 26, 1936.—The subjoined paragraphs contain a résumé based on the Netherlands trade statistics of the imports and exports of the principal commodities and groups of commodities, with particular reference to those which are of interest to Canada.

ANIMALS AND ANIMAL PRODUCTS

LIVE ANIMALS

As a dairy and stock-raising country the Netherlands does not offer a market for live animals. The value of exports exceeded the value of imports by nearly two to one. Such import trade as there is consists for the greater part of frontier traffic, supplemented by limited purchases of breeding animals for stock-improvement purposes.

In 1935 there were 4,407 head of horses brought into the country, most of which came from Poland and Lithuania. There were in addition 507 horses imported for slaughtering purposes, 417 of which were of Polish origin.

Imports of all other varieties of live animals were of no importance.

There is a small though firmly established fur-bearing animal breeding industry in Holland, which in former years used to import a limited number of silver foxes from Canada. Owing to the slump in price following the depression, this trade has been dormant for a number of years, and Dutch ranchers affirm that Canadian prices are now too high to compete with those quoted by local breeders. Dutch foxes, for instance, are quoted at from fl. 200 to fl. 300 per pair, which is the equivalent of from \$134 to \$200 at the current rate of exchange.

MEAT AND MEAT PRODUCTS

As is the case with live animals, the importation of meat and meat products is not large. As a hog-raising country the Netherlands is one of the principal purveyors of bacon to the British market, having shipped 26,259 metric tons in 1935 in comparison with 30,913 tons in the preceding year. Import restrictions prevent the entry of beef, horseflesh, and other meat from countries whose competitive position has been strengthened through currency depreciation. Despite this handicap, Argentina was able to ship to Holland 1,213 tons of frozen beef and veal in 1935, although this was of small volume compared to the 1931 figures, which stood at 7,148 tons.

Horsemeat is used fairly extensively in the Netherlands as a foodstuff.

Import restrictions, coupled with the comparatively low price of domestic meat, brought imports down to only 569 metric tons (fl. 228,000) in 1935 in comparison with 1,113 tons (fl. 418,000) in 1934. It is interesting to note in this

instance also that in 1931 horsemeat imports weighed 3,314 tons. Horsemeat, which is imported in tierces in a pickled condition, comes entirely from the United States. Canadian packing houses have expressed an interest, but the market is, however, closed owing to quota restrictions.

There is one important manufacturer of biological products in Holland who uses large quantities of animal glands. Imports under this heading, which are destined for chemical and medical preparations, weighed 316 metric tons (fl. 164,000), compared with 179 metric tons (fl. 63,000) in 1934. The United States supplied about one-third of the 1935 total, Belgium was second, the Argentine third, and the Soviet Union fourth. There were some imports from Canada, which were made possible by an arrangement which was concluded on May 22, whereby Canadian meat inspection certificates were accepted by the Netherlands authorities.

Total imports of animal casings rose from 2,783 tons (fl. 1,247,000) to 3,525 tons (fl. 1,862,000) during the period under review. The principal countries of origin in 1935, together with the weight and value supplied by each, are as follows:—

	Country of Origin	M. Tons	Fl. 1,000
Total	3,525	1,862
Germany	92	90
Belgium	311	97
United Kingdom	343	67
France	642	175
Lithuania	14	20
China	560	874
Canada	119	27
Argentina	309	76
Uruguay	194	73
United States	684	267

ANIMAL FATS

In the Netherlands trade returns animal fats are classified under a number of different headings. Imports of unrendered animal fats weighed 2,026 tons (fl. 576,000). Belgium supplied 883 tons (fl. 242,000), France 565 tons (fl. 187,000), and Argentina 454 tons (fl. 107,000).

The quantity of neutral lard entering the country weighed only 3 tons. Pure and steam lard, on the other hand, rose from 1,136 tons in 1934 to 2,228 tons (fl. 578,000) in 1935. France was the principal country of origin, followed by the United Kingdom and Belgium. Non-edible tallow and technical fats were imported to the extent of 9,349 tons (fl. 1,664,000). Both the weight and value showed a slight increase in comparison with the preceding year. Denmark is the leading shipper with nearly one-third of the total. Argentina, France, and Belgium follow in the order named.

Imports of rendered animal fats, which include premier jus and edible tallow, dropped from 8,263 tons in 1934 to 5,716 tons in 1935. Argentina and Belgium account for the bulk of these figures.

As regards oleo oil, the United States supplied 653 tons (fl. 238,000) out of total imports of 850 tons, which latter figure was a decrease from 1,115 tons in 1934. Oleo stearine imports similarly shrank from 508 tons to 357 tons. The United States and Argentina were the principal shippers of this latter product. Canada is not shown as having been a supplier of any animal oils or fats during the year 1935.

DAIRY PRODUCTS

The principal branch of Netherlands agriculture, which is the country's leading industry, is dairying. The market which exists for foreign dairy products is therefore extremely narrow. This has been particularly so during the past few years, when declining exports have thrown large quantities of milk and its derivatives upon the home market, the powers of absorption of which are limited.

Exports of cheese—which is sent to all parts of the world—weighed 61,052 tons (fl. 23,464,000) in 1935. Belgium, Germany, and the United Kingdom were the three principal buyers. A small quantity also went to Canada.

Milk exports are shown under a number of different headings. Foreign sales of sweetened condensed milk weighed 40,694 metric tons (fl. 6,521,000); of sweetened condensed skimmed milk, 93,006 tons (fl. 9,078,000); of unsweetened condensed full milk, 21,628 tons (fl. 3,172,000); and of milk powder, 8,252 tons (fl. 1,677,000).

The above-mentioned products all have a wide distribution, although the United Kingdom is by far the most important market.

In former years there were certain imports of butter during the off-season, most of which came from New Zealand and Australia. A surplus of the domestic product makes this movement no longer necessary. During the period under review butter exports weighed 46,787 metric tons (fl. 26,198,000) compared with 36,886 tons (fl. 22,094,000) in 1934.

As regards last year's exports, the United Kingdom took 25,713 metric tons, Germany 11,821 tons, Belgium 3,498 tons, and the United States 3,373 tons. The exportation of butter from the Netherlands is aided by a heavy excise tax on the domestic consumer, the proceeds of which are used to subsidize shipments abroad.

The manufacture of margarine is an industry of some importance. It also has suffered during recent years. Exports weighed only 5,853 tons in 1935 in comparison with 54,592 tons in 1931.

No market exists in Holland for eggs or egg products. There are more of these produced locally than can be disposed of. In 1935 the Netherlands absorbed 451 tons of casein, which came principally from France and the Argentine.

FEEDSTUFFS OF ANIMAL ORIGIN

Under this heading are included meat meal, animal meal, fish meal, blood meal, and meat bonemeal.

As a stock-raising country, the Netherlands under normal conditions is an important purchaser of all these commodities. Imports in 1935 reflected the poor condition of the stock-raising industry and a consequently weaker demand.

Imports of meat meal, which weighed 1,357 tons in 1934, declined to only 190 tons in 1935. Similarly, animal meal dropped from 11,662 tons to 4,507 tons, fish meal from 26,337 tons to 11,908 tons, blood meal from 2,865 tons to 1,517 tons, and meat bonemeal from 5,621 tons to 2,437 tons.

With the exception of fish meal, all of the aforementioned products come principally from South America, mainly Argentina and, to a lesser extent, Uruguay.

As regards fish meal, the United States—as was also the case in 1934—was the principal country of origin. Particulars regarding the importation of this commodity during 1934 and 1935 are as follows:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. Tons
Total	26.337	2,118	11,908	806
United Kingdom	3.617	364	1,040	82
Norway	2.475	195	908	64
Sweden	611	63	.....	.....
Canada	4.463	330	1,088	71
United States	12.138	943	7.640	509
Japan	2.357	170	554	35
Argentina . . . . .	.....	.....	489	30

The importation of all the above-mentioned animal feedstuffs, which formerly entered the Netherlands duty free, was from May 13, 1935, made subject to a so-called monopoly tax of fl. 1 per 100 kilos, which tax was increased on September 4 to fl. 1.50 per 100 kilos. This measure, which had been pending

for some time, caused abnormal purchases to be made during 1934 and partially accounts for the decrease which has taken place during the period under review. Apart from this, smaller purchases have also been caused by the substitution of domestic milk powder, shrimp powder, and other substitutes.

HONEY

Holland offers a good market for honey. The foreign product is used principally by bakers and confectioners, although it is also being employed to an increasing extent as a table delicacy. In this latter case, however, supplies come mostly from local apiaries, while the bulk product is imported from abroad. Price is the governing factor and the dark, heavily flavoured buckwheat variety is the quality in demand.

During favourable years Canada was an exporter of honey to the Netherlands, although during the period being dealt with conditions were such that only a small amount of business was done. Cuba was the chief country of origin, as the subjoined figures—which show the volume and value of imports during 1934 and 1935—indicate:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	3,264	539	4,553	618
France	225	60	206	58
Cuba	1,846	286	3,160	391
Mexico	167	25	526	63
United States	265	49	270	48
Guatemala	17	3	163	24

ANIMAL HAIR

Imports of horsehair in 1935 totalled only 75 tons (fl. 108,000) in comparison with 177 tons (fl. 163,000) in the preceding period. The United Kingdom supplied 28 tons (fl. 59,000) and Belgium 10 tons (fl. 10,000). As regards cow hair, out of total imports of 286 tons (fl. 68,000), 90 tons (fl. 21,000) came from the United States and 67 tons (fl. 29,000) from the United Kingdom. The United Kingdom also supplied 67 tons of hog hair, for the manufacture of bristles, valued at fl. 109,000. Total imports under this heading weighed 130 tons (fl. 205,000).

VEGETABLE PRODUCTS

Under the above heading are included the commodities which account for the bulk of Canada's exports to the Netherlands. The articles embodied in this group are for the greater part the raw products of the farm and field:—

WHEAT

In 1932 legislation became effective in the Netherlands which made it necessary for millers to use a certain percentage of home-grown wheat. Since February, 1933, the actual quantity required has been 35 per cent of the mix. Prior to the passing of this wheat-mixing law, Holland imported all its bread grain from abroad. Now, however, the volume of imports is proportionately lower than formerly.

The total quantity of wheat in 1935 which entered the country from all sources was 529,265 metric tons in comparison with 493,670 metric tons in 1934. While this is a slight increase, both of these figures reflect the effects of the use of home-grown wheat, as average imports during the preceding four years were 743,894 metric tons.

In purchasing wheat, Netherlands millers are governed largely by price, and consequently during 1935, as was also the case in 1934, Argentina had the largest part of the trade with 59.8 per cent of the total, followed by Canada with 18.3 per cent and the United States with 6.5 per cent.

Details regarding imports during 1935, with comparative figures for the preceding twelve months, are subjoined:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	493,670	18,182	529,265	21,696
Germany	16,952	472	9,808	353
Belgium	15,782	607	12,388	519
Sweden	3,410	127	22,321	765
Soviet Union	18,033	569	24,680	1,168
Roumania	67,257	2,022	.....	.....
Canada	88,330	3,975	96,905	4,627
Argentina	241,549	8,490	316,748	12,162
United States	34,968	1,669	34,455	1,662
Uruguay . . . . .	.....	.....	9,560	356

CORN

Among feeding grains imported, corn is the most important. The total volume during the period under review was 886,398 metric tons (fl. 26,134,000), of which quantity 642,210 tons (fl. 21,578,000) came from Argentina. South Africa was in second place with only 54,679 tons. There were additional small imports from Belgium, Brazil, Roumania, and Netherlands India.

RYE

In 1935 rye imports declined to less than half of their 1934 volume, the total being 75,797 metric tons (fl. 2,196,000) in comparison with 177,870 tons (fl. 4,166,000) in 1934. As was the case with corn, Argentina supplied the bulk of the total with 46,955 tons. Lithuania was credited with 19,601 tons, while the small balance came from Poland and the United States.

BARLEY

There was also a decline in the volume and value of barley imports, which follow corn in order of importance as a feeding grain.

In all instances these contractions can be attributed to the unsatisfactory condition of the live-stock market, coupled with the substitution of other and cheaper feedstuffs. Argentina and Russia are the principal purveyors of barley. The appended table gives comparative imports in 1934 and 1935 from all countries of origin:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	348,808	11,336	292,256	9,809
Belgium	6,013	226	3,623	123
Czechoslovakia	5,083	335	9,247	451
Soviet Union	12,873	358	100,649	2,974
Roumania	33,958	970	3,468	108
Iraq	20,411	713	5,341	197
Canada	12,518	542	2,747	93
Argentina	242,749	7,532	153,504	5,198
Poland	4,688	244	8,125	376
Afghanistan . . . . .	.....	.....	2,454	78

OATS

A decline in the volume of coarse grain imports is also noticeable as regards oats, although the value increased. The weight dropped from 41,601 metric tons in 1934 to 38,245 tons in 1935. Canada was one of the principal exporting countries, due largely to a heavy purchase made by the Netherlands Government for military purposes. Details of imports during the past two years were as follows:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	41,601	1,192	38,245	1,384
Lithuania . . . . .	.....	....	1,447	45
Germany	1,748	53	.....	.....
Belgium	743	23	.....	.....
United Kingdom	1,158	35	.....	.....
Soviet Union	10,174	278	3,425	120
Poland	1,469	41	.....	.....
Canada	3,048	123	13,980	593
Chile	3,254	92	460	17
Argentina	19,705	541	15,661	501
United States . . . . .	.....	....	2,651	88

BUCKWHEAT

The market for buckwheat in the Netherlands is less extensive than that which exists for other feeding grains. In 1935 imports from all sources weighed 25,762 tons (fl. 1,107,000). This was a slight increase in comparison with the preceding year.

From the Canadian point of view, Holland is the principal market for this commodity, while in the trade returns Canada follows Manchuria as the second most important source of supply. Its principal use in the Netherlands is for feeding and, to a lesser extent, for grinding. For the latter purpose the Manchurian product, which has a large kernel, is preferred by the millers. Very little Canadian buckwheat is used for milling purposes. Particulars of imports during 1934 and 1935 are appended:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	22,368	1,009	25,762	1,107
Manchuria	19,213	848	10,631	481
Canada	1,923	97	7,651	334
United States	1,166	60	2,840	127
Poland . . . . .	.....	....	4,446	155

PULSES

The Netherlands is an exporter rather than an importer of peas and beans. The total weight of pea exports in 1935 was about 25,000 tons in comparison with imports amounting to about 150 tons. Exports of beans also outweighed imports; no market exists for Canadian products.

SEEDS

The importation of linseed rose from 322,209 metric tons in 1934 to 402,010 tons in 1935. Of the latter quantity, 396,553 metric tons came from Argentina. There is an important linseed oil industry in the Netherlands. During the period under review it was protected by restrictions on the importation of feeding cake, which stimulated the heavier purchases of the raw material.

Exports of such varieties as poppy seed, caraway seed, canary seed, and mustard seed exceeded imports. As regards grass and clover seed, these are both imported and exported. Canada has participated to some extent in imports, although these have been declining in the face of strong European competition. Grass seed imports during the period under review weighed 1,605 tons, of which quantity Denmark supplied 677 tons, the United Kingdom 452 tons, and the United States 181 tons. There were also 1,173 tons of clover seed entered the country. The principal countries of origin were the United Kingdom, Poland, Hungary, Belgium, and Lithuania. Grass seed exports weighed 888 tons, with Germany the principal market. Clover seed exports fell from 608 tons in 1934 to 244 tons in 1935. There was an export surplus of vegetable and flower seeds. There is no profitable market for the foreign product.

FRESH FRUIT

There is a limited domestic production of apples, pears, plums, cherries, and soft fruit. Hothouse grapes are also grown.

As regards apples, the production falls far short of meeting the demand. Even in the most favourable years there is little home-grown fruit left later than February. Total imports of fresh apples in 1935 were 15,678 tons against 18,916 in the preceding twelve months. The United States is consistently the principal exporting country. Canada participates sporadically, depending on price and the quantity available. There have been no imports from the 1935 crop: Canadian imports during 1935 were from the preceding harvest.

Particulars as to the weight and value of fresh apple imports during 1934 and 1935 are subjoined:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	18,916	1,884	15,678	1,748
Belgium	1,211	62	581	61
Canada	1,213	97	1,761	131
Chile	183	12	.....	.....
United States	13,359	1,404	11,305	1,251
Australia	1,659	181	885	139
New Zealand	696	78	248	38
United Kingdom . . . . .	.....	.....	761	131

The Netherlands market prefers a bright-coloured apple and barrelled varieties, the usual size being 2½ up. In boxes, 148's account for the greater part of the turnover.

PEARS

The importation of fresh pears dropped from 4,156 metric tons to 2,899 tons in 1935. Ninety-five per cent of the 1935 quantity came from the United States.

OTHER FRUITS

The consumption of citrus and other southern fruits is well above the European average. During the period under review 61,442 tons of oranges entered the country. Slightly less than half of these came from Spain, with Palestine in second place with 13,000 tons. Imports of bananas totalled 40,362 tons.

DRIED FRUITS

Dried apples are a popular article of diet. There is no production locally, and the demand is governed by the extent of the domestic fresh apple crop and price. Quarters are more popular than rings, and the trade is accustomed to the bleached product from the West Coast of the United States. Californian quarters were long the standard, but producers in Washington and Oregon are now competing. New York State rings are used to a lesser extent, as are also Canadian rings and quarters. A larger Canadian trade could have been done during the period under review if additional supplies had been available. Total imports in 1935 were 3,703 tons (fl. 982,000) compared with 2,768 tons (fl. 771,000) in 1934.

Imports of dried pears, principally from the United States, weighed 247 tons; those of prunes amounted to 4,362 tons.

CANNED FRUITS AND VEGETABLES

There is a limited market for canned fruits and vegetables of foreign origin. This trade is handicapped by high import and monopoly duties, which shelter a well-established domestic industry now producing a good article from a quality point of view. A small business remains for a few well-established brands put up by United States packers. The turnover, however, is declining.

According to the trade statistics, imports of canned peaches weighed 187 tons in 1935 in comparison with 507 tons in 1934. All these were from the United States. The importation of pears also declined, from 115 tons to 60 tons. On the other hand, pineapples, which are not packed locally, rose from 809 to 934 tons.

As regards vegetables, statistics show the importation (from the United States) of 90 tons of canned asparagus in comparison with 124 tons in 1934. There were also 481 tons of canned tomatoes, which is an increase from 375 tons in 1934. Italy was the principal country of origin.

POTATOES

A small quantity of early potatoes is imported into Holland. The volume during the period under review was 6,651 tons, most of which came from Malta. Exports of Dutch potatoes, on the other hand, amounted to over 200,000 tons.

LINSEED CAKE

The importation of linseed cake is tending to decline slightly in favour of the domestic product. The United States is the principal source of supply for imports, while there is also a small quantity coming from Canada, which is well regarded on account of its higher protein content.

Details regarding linseed cake imports for 1935, with comparative figures for 1934, are as follows:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	55,956	2,912	51,540	2,105
Germany	2,080	127	.....	....
Belgium	814	45	179	8
Soviet Union	1,623	82	.....	....
Roumania	939	51	.....	....
Japan	1,800	89	136	6
Indian Empire	5,347	286	909	38
Canada	1,546	69	1,536	72
Argentina	2,683	150	1,155	50
United States	37,221	1,903	46,401	1,884
Brazil . . . . .	.....	.....	686	30
Uruguay . . . . .	.....	.....	272	12

MINERALS, METALS, AND METAL PRODUCTS

With the exception of coal and salt, no minerals or ores are produced in the Netherlands. Consequently metal-using industries are required to cover their needs abroad.

The 1935 imports of iron ore weighed 424,925 metric tons; manganese ore, 2,030 tons; iron pyrites, 248,772 tons; zinc ore, 35,601 tons; and tin ore, 22,733 tons. Coal imports totalled 5,060,736 tons, against which there were exports of nearly 3,000,000 tons. Imports of Portland cement dropped from 406,599 metric tons in 1934 to 366,493 tons in the succeeding year. Germany and Belgium supplied 90 per cent of the total. Chemical fertilizers are not a large item as far as the import trade is concerned. On the other hand, there is a substantial export of these same products. Foreign sales of superphosphate in 1935 weighed 380,857 tons, and of sulphate of ammonia 267,321 tons.

IRON AND STEEL MANUFACTURES

Manufactures of iron and steel came principally from Germany and Belgium. The United Kingdom and the United States also supplied smaller quantities of articles falling under this heading.

Apart from the countries mentioned, Sweden and Czechoslovakia are shippers of pipes and tubes and pipe fittings. Wire nail imports in 1935 weighed

4,521 tons. About half of these came from Germany, with most of the balance from Belgium and France, while there were also 69 tons from the United States. Iron bolts and screws weighed 4,008 tons, with about 55 per cent from Germany. The United States supplied 133 tons. There was also a small quantity from Canada. Iron wire comes also principally from Germany. Furnaces, stoves, and heating apparatus, when imported, are also usually of German, Belgian, and to a lesser extent Swedish origin. There is a small market for oil-burning equipment, most of which comes from the United States.

COPPER AND MANUFACTURES

Imports of copper in ingots, blocks, and bars remained at the same level as in the preceding year, although the effect of slightly higher prices are shown in the value, which is up. Out of a total of 5,357 metric tons (fl. 1,433,000), Canada supplied 1,034 tons (fl. 276,000). The United States was in first place with 2,468 tons (fl. 641,000), followed by Canada with 1,034 tons (fl. 276,000) and Belgium (774 tons). Smaller quantities were credited to Germany, Italy, and Portuguese East Africa. There was also some business done in copper wire from Canada during the year, which is a new import. Total imports under this heading were 3,259 metric tons (fl. 921,000). Canada was in third position with 229 tons (fl. 62,000). The United States was first with 1,508 tons (fl. 408,000) and Germany second with 1,284 tons (fl. 384,000).

OTHER PRODUCTS

Canada was credited with 66 tons of brass and bronze ware in ingots, blocks, and bars. Total imports of these products were 3,821 tons, most of which were from Germany.

In 1935 Canada was not shown as the country of origin of any lead or zinc.

Total imports of lead in blocks weighed 19,253 tons in comparison with 24,236 tons in 1934. Of the former, Belgium supplied 10,014 tons, Mexico 5,889, and the United States 3,296 tons. Imports of crude zinc in blocks or bars rose to 9,945 tons in comparison with 6,655 tons in 1934. Belgium was credited with 8,415 tons, Mexico and the United States accounting for the small balance. Similarly, imports of zinc in sheets rose from 4,828 to 5,044 tons.

Imports of crude nickel and nickel offal rose from 373 tons in 1934 to 1,000 tons in 1935. Canada was credited with only 61 tons of this quantity, with 639 tons from the United States, 129 tons from the United Kingdom, and 66 tons from Germany.

Imports of unmanufactured aluminium in strips weighed 1,326 tons, with a little over half of the total from Germany and most of the balance from Switzerland. There were 23,326 tons of gypsum imported, the trade being divided between Germany, Belgium, and France in the order named. Imports of mica totalled 90 tons, with 47 tons from British India and 17 tons from the United Kingdom. There is a good demand for light-coloured mica for use in the manufacture of stoves. Canadian producers, however, have been unable to offer a suitable quality.

FLOUR AND FLOUR PRODUCTS

WHEAT FLOUR

Owing to legislation which permits bread manufacturers to use only 5 per cent foreign unmixed flour, the Netherlands import trade in this product is now of comparatively small importance. The annual consumption for bread-making of imported flour approximates only about 22,500 tons. In addition to this

quantity, imported flour may be employed for special purposes such as the making of biscuits, while it is also used to a limited extent as a feedstuff.

In 1935 total imports from all sources weighed 41,519 tons (fl. 2,247,000). The principal countries of origin, together with imports from each, with comparative figures for 1934, were as follows:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	38,906	1,770	41,519	2,247
Germany	5,453	171	668	33
Belgium	227	8	511	25
United Kingdom	1,415	85	2,264	132
France	16,535	617	16,528	687
Italy	3,451	94	2,199	66
Switzerland	1,462	38	1,753	52
Canada	2,903	197	3,890	280
United States	7,203	543	8,964	701
Hungary . . . . .	.....	.....	3,061	187
Australia . . . . .	.....	.....	992	53

The comparatively high price of North American flour, to which must be added the so-called monopoly fees of fl. 6 per 100 kilos, have made business difficult during the period under review. Hungarian flour, which was offered freely for the first time during 1935 and at lower prices, made considerable inroads into the market. Total imports from that country were in fourth place as far as volume is concerned, being close behind Canada.

MALT

Total imports in 1935 amounted to 7,023 tons against 9,243 tons in 1934. Czechoslovakia is credited with 3,250 tons, Hungary with 1,242 tons, and Germany with 841 tons.

ROLLED OATS

Imports of rolled oats fell from 4,897 tons (fl. 395,000) in 1934 to 1,190 tons (fl. 164,000) in 1935. As regards the latter total, 596 tons (fl. 123,000) were from the United States, 517 tons (fl. 33,000) from Germany, and 72 tons (fl. 7,000) from Canada. The heavy decline in imports is accounted for by the establishment of a domestic industry, the operation of which was made possible by the high monopoly duty on the imported product in comparison with the lower tax on raw oats.

CEREAL PRODUCTS

There is a small sale of prepared cereals such as breakfast foods. They are used principally by resident foreigners and Hollanders who have lived abroad. There is little prospect of developing a large business. Some of these are imported from Canada, others from the United States, while the United Kingdom is also taking care of a small section of the market.

MACARONI

Domestic manufacturers now have a good hold on the market for macaroni, although imports in 1935 rose to 530 tons (fl. 86,000) from 400 tons (fl. 66,000) in 1934. Italy supplied 323 tons (fl. 54,000) and France 147 tons (fl. 22,000). There has also been a limited importation from Canada. With supplies from Italy shut off from November 18, 1935, prospects for Canadian manufacturers are brighter owing to the elimination of competition from that source.

BUSINESS CONDITIONS IN AUSTRIA IN 1935

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One Austrian schilling equals approximately Can.\$0.20)

Hamburg, March 4, 1936.—A report in *Commercial Intelligence Journal* No. 1623 (March 9, 1935) summarized business conditions in Austria during 1934, as having denoted satisfactory progress. A definite continuation of this trend was evident during 1935. The Austrian Government has adopted and pursued a sound currency policy, tourist traffic is said to have improved by no less than 40 per cent over the previous year, while production and foreign trade show satisfactory development.

In common with most Central European countries, Austria has encouraged increased agricultural production and, despite declines in the case of some farm products, the output of wheat and rye during the 1935 season showed increases of 17 and 2 per cent respectively. Large quantities of wheat have still been imported from the Danubian states and from Argentina, such trade having, in general, been arranged through compensation agreements involving the export of Austrian manufactures, and at times also through the mutual concession of unusually favourable tariff treatment to the various commodities concerned.

INDUSTRY

Industrial production during the past year was considerably in excess of that of 1934. Activity was most marked in the case of the textile and the iron and steel industries. Combined with this situation, various public works undertaken by the Government and the larger municipalities have influenced a progressive decline in the numbers of unemployed.

FINANCE AND CURRENCY

Despite an increase in internal debt, the Government reports substantially improved revenues from taxation and concurrent reductions in ordinary expenditure, and its financial position is unusually sound. With regard also to the currency situation, the schilling has remained stable throughout the year, and the holdings and reserves of the National Bank have shown definite improvement. Savings deposits have increased, while, with the virtual removal of foreign exchange restrictions, Austria has experienced an appreciable influx of capital from adjacent countries.

FOREIGN TRADE

The foreign trade situation has been only reasonably satisfactory. In this regard, however, it is to be noted that Austria's national income is derived to a considerable extent from invisible exports. Provisional returns for the year 1935 show a surplus of imports over exports of some 310,000,000 schillings (Can.\$58,-590,000), a slight increase over the 1934 balance of 296,000,000 schillings, but this unfavourable trend is ascribed to unusually heavy imports, towards the close of the year, of raw materials for manufacturing and is in no way regarded with apprehension. The actual figures are as follows:—

	1934 Schillings	1935 Schillings	Inc. or Dec.
Imports	857,000,000	894,700,000	+37,700,000
Exports	1,152,800,000	1,205,400,000	+52,600,000
Balance	295,800,000	310,700,000	+14,900,000

It may be noted, in connection with increased export trade during the past year, that there has been a considerable improvement in Austria's sales of iron and steel goods to Italy and in those of cotton yarn to Roumania and Yugoslavia.

TRADE WITH CANADA

Canadian trade with Austria has shown a considerable increase in calendar year 1935 over its value during the previous year. The statistics are as follows:—

	1934	1935
Imports from Austria	\$278,383	\$335,436
Exports to Austria	34,176	40,791

The heavy balance in favour of imports of Austrian goods, apparent from these data, must be discounted considerably. It is certain that Canadian exports to this market are much larger than indicated but, since the bulk of Canadian shipments are routed through Hamburg, such trade has frequently been credited to Germany rather than to its ultimate destination. No estimate, however, can be made as to the true value of this business.

The principal imports into Canada from Austria are knitted garments, brass manufactures, silk goods, iron and steel products, and cotton goods, while Canadian exports to the Austrian market comprise raw furs, rubber tires and tubes, unmanufactured wood, farm implements and parts, and wood-pulp. The market offers limited opportunities for the sale of Canadian products, but is generally receptive, and, in view of a more favourable exchange situation than in many other European countries, should be of more than average interest to Canadian firms concerned with export trade to the Continent.

JAPAN'S FOREIGN TRADE, 1935

A. K. DOULL, ACTING COMMERCIAL SECRETARY

(For purposes of comparison, the average rate of the yen in 1934 and in 1935 was 29 cents Canadian funds)

Tokyo, February 12, 1936.—Japan's total foreign trade in 1935 was valued at 4,971,309,161 yen as compared with 4,454,526,223 yen in 1934, an increase of 516,782,938 yen. Exports were valued at 2,499,073,045 yen as against 2,171,924,623 yen, an increase of 327,148,422 yen; imports at 2,472,236,116 yen as against 2,282,601,600 yen, an increase of 189,634,516 yen. Japan had thus for the first time since 1918 a favourable balance of trade, amounting to 26,836,929 yen as against an excess of imports amounting to 110,676,977 yen in 1934.

EXPORTS TO PRINCIPAL COUNTRIES

Exports to Asiatic countries were valued at 1,304,433,332 yen as compared with 1,169,503,481 yen in 1934, an increase of 134,929,851 yen. The chief Asiatic purchasers of Japanese goods were Kwantung Province¹ (300,269,117 yen), British India (275,637,433 yen), China proper (148,788,458 yen), the Dutch East Indies (143,041,225 yen), Manchukuo (126,045,518 yen), Hongkong (49,731,900 yen), the Straits Settlements (48,536,105 yen), the Philippines (48,058,472 yen), and Siam (40,258,136 yen).

Exports to Europe were valued at 262,831,580 yen as compared with 227,772,227 yen in 1934, an increase of 35,059,353 yen. Chief European customers were: Great Britain (119,458,148 yen), France (42,467,911 yen), Germany (26,766,364 yen), Holland (18,316,090 yen), and the Belgo-Luxemburg Economic Union (15,393,105 yen).

North American purchases were valued at 543,399,594 yen as against 407,614,411 yen in 1934, an increase of 135,785,183 yen. Of this amount, exports to the United States were valued at 535,389,440 yen and to Canada at 7,977,242 yen.

¹ Of exports to Kwantung Province, through the port of Dairen, a large portion undoubtedly is re-exported to Manchukuo.

Shipments to Central America were valued at 36,026,658 yen as compared with 43,295,238 yen in 1934, a decrease of 7,268,580 yen. The largest Central American customers of Japan were: Panama (6,149,800 yen), Mexico (5,464,976 yen), Cuba (5,047,718 yen), Dominican Republic (3,749,982 yen), Haiti (3,053,691 yen), Honduras (2,269,354 yen), and Curacao (2,171,787 yen).

Exports to South America were valued at 73,361,522 yen as against 61,457,387 yen in 1934, an increase of 11,904,135 yen. The largest South American purchasers were: Argentina (28,603,042 yen), Colombia (7,832,871 yen), Peru (6,961,222 yen), Chile (6,647,360 yen), and Brazil (5,925,583 yen).

Exports to African countries were valued at 183,527,514 yen as compared with 182,396,550 yen, an increase of 1,130,964 yen. Chief African buyers were: Egypt (53,800,223 yen); Federation of South Africa (32,769,002 yen); Kenya, Uganda, and Tanganyika (25,083,456 yen); French Morocco (18,813,298 yen); Anglo-Egyptian Sudan (13,034,263 yen); and Mozambique (10,751,798 yen).

Exports to Oceanic countries were valued at 95,492,845 yen as against 79,885,329 yen in the previous year, an increase of 15,607,516 yen. Of this amount, exports to Australia were valued at 74,793,151 yen, to New Zealand at 11,304,745 yen, and to Hawaii at 7,242,197 yen.

EXPORTS BY COMMODITIES

Up until 1933 raw silk was always Japan's largest single export, but during 1934 and the year under review cotton tissues have held first place by a good margin. Exports of cotton tissues in 1935 amounted to 2,725,109,310 square yards valued at 496,097,082 yen as compared with 2,577,264,458 square yards valued at 492,351,023 yen in 1934.

Of total exports of cotton tissues, 945,254,377 square yards valued at 145,355,763 yen were classified as "grey," 511,334,801 square yards valued at 85,303,581 yen as "bleached," and 1,268,520,132 square yards valued at 265,437,738 yen as "other." The largest purchasers of "grey" cotton tissues were: British India (41,561,542 yen), Manchukuo (12,629,080 yen), the Dutch East Indies (9,977,624 yen), Egypt (7,243,362 yen), Kwantung Province (6,975,453 yen), Aden (6,936,244 yen), Australia (6,872,617 yen), Anglo-Egyptian Sudan (6,771,871 yen), and Kenya, Uganda, and Tanganyika (5,461,779 yen). "Bleached" cotton tissues were exported chiefly to British India (11,359,900 yen), the Dutch East Indies (10,402,873 yen), French Morocco (7,144,849 yen), Egypt (5,760,626 yen), and the United States (5,412,429 yen). Cotton tissues classified as "other" were exported chiefly to the Dutch East Indies (46,197,627 yen), British India (32,260,655 yen), Manchukuo (20,103,426 yen), Egypt (18,679,150 yen), Argentina (15,042,710 yen), and the Philippines (10,737,784 yen).

Raw silk exports, next in importance from a value standpoint, amounted to 553,156 bales (387,032,274 yen) as against 505,999 bales (286,793,875 yen), a small increase in quantity although a large increase in value owing to a rise in the price of raw silk in 1935. As usual, the United States was Japan's largest customer for raw silk, and exports to that country amounted to 466,576 bales (328,910,792 yen) as compared with 425,914 bales (239,568,115 yen) in 1934. Exports of raw silk to France were valued at 23,764,853 yen, to Great Britain at 21,450,666 yen, to British India at 5,533,509 yen, to Australia at 4,232,566 yen, to Italy at 130,073 yen, to Switzerland at 264,151 yen, and to Canada at 70,480 yen.

Japan's third largest export was that of artificial silk tissues valued at 128,260,226 yen as against 113,484,235 yen in 1934, an increase of 14,775,991 yen. The largest purchasers of this commodity were Australia (22,806,099 yen), British India (22,454,599 yen), the Dutch East Indies (12,683,936 yen), Kwantung Province (11,157,820 yen), Egypt (5,448,996 yen), and the Federation of South Africa (5,149,000 yen).

VALUES EXCEEDING 20,000,000 YEN

The following products were exported to a value exceeding 20,000,000 yen: silk tissues (77,444,346 yen), chiefly to British India, Great Britain, the United States, Australia, and the Federation of South Africa; iron (65,835,896 yen), chiefly to Kwantung Province; machinery (63,856,000 yen), chiefly to Kwantung Province and China proper; comestibles (57,129,885 yen), chiefly to Great Britain and the United States; knitted goods (50,266,329 yen), chiefly to British India, Great Britain, the Philippines, and the Dutch East Indies; pottery (42,734,514 yen), chiefly to the United States, British India, and Australia; iron manufactures (37,503,530 yen), chiefly to Kwantung Province, British India, and the Dutch East Indies; cotton yarns (35,873,277 yen), chiefly to British India, Manchukuo, and the Dutch East Indies; toys (33,852,104 yen), chiefly to the United States, Great Britain, British India, and Australia; wheat flour (33,699,761 yen), chiefly to Kwantung Province and Manchukuo; vegetable fatty oils (33,051,262 yen), chiefly to the United States; woollen tissues (32,400,823 yen), chiefly to Kwantung Province, British India, and China proper; glass and glass manufactures (23,337,433 yen), chiefly to British India, the United States, Dutch East Indies, China proper, the Philippines, and Australia; wood (23,181,968 yen), chiefly to Great Britain, Kwantung Province, and China proper; paper (23,084,574 yen), chiefly to Kwantung Province, China proper, and Manchukuo; artificial silk (22,852,554 yen), chiefly to British India, Kwantung Province, and China proper; and aquatic products (20,734,798 yen), chiefly to China proper, Hongkong, and Kwantung Province.

VALUES BETWEEN 5,000,000 AND 20,000,000 YEN

The following products were exported to a value exceeding 5,000,000 yen and not more than 20,000,000 yen: rice, chiefly to Holland; beans, chiefly to Great Britain and Germany; sugar, chiefly to China proper and Kwantung Province; tea, chiefly to the United States and Russia; beer, chiefly to Kwantung Province and Manchukuo; fish and whale oil, chiefly to Germany; dried plants, chiefly to the United States; camphor, chiefly to British India and the United States; menthol crystals, chiefly to the United States; cotton blankets, chiefly to Siam and British India; cotton towels, chiefly to British India, Siam, Australia, and the Federation of South Africa; hats and caps, chiefly to the United States, British India, and Great Britain; buttons, chiefly to Great Britain and British India; jewellery, chiefly to British India, the United States, and Great Britain; coal, chiefly to Hongkong and the Straits Settlements; cement, chiefly to Kwantung Province; brass, chiefly to British India and China proper; gum tires, chiefly to the Dutch East Indies, China proper, and Kwantung Province; brushes, chiefly to the United States and Great Britain; and lamps and parts, chiefly to the United States, Kwantung Province, British India, Great Britain, and the Dutch East Indies.

IMPORTS FROM PRINCIPAL COUNTRIES

Imports from Asiatic countries were valued at 869,871,331 yen as against 812,090,696 yen in 1934, an increase of 57,780,635 yen. Of this amount, imports from British India were valued at 305,646,259 yen, from Manchukuo at 191,005,245 yen, from China proper at 133,817,898 yen, from the Dutch East Indies at 78,186,575 yen, and from the Straits Settlements at 40,647,867 yen.

Imports from European countries were valued at 352,276,402 yen as compared with 295,622,995 yen in the previous year, an increase of 56,653,407 yen. Japan's largest European sources of supply were: Germany (120,817,586 yen), Great Britain (82,160,481 yen), the Belgo-Luxemburg Economic Union (24,562,317 yen), and Sweden (23,074,191 yen).

Imports from the United States were valued at 809,644,583 yen as against 769,359,099 yen in 1934, an increase of 40,285,484 yen. Imports from Canada were valued at 52,531,359 yen as against 54,093,620 yen in the previous year, a decrease of 1,562,261 yen.

Imports from Central America were valued at 8,033,392 yen as against 856,953 yen in 1934, an increase of 7,176,439 yen. The largest Central American exporters to Japan were Mexico (6,443,512 yen), Haiti (706,774 yen), Cuba (405,245 yen), and Guatemala (117,638 yen).

Imports from South America were valued at 42,908,053 yen as compared with 23,962,130 yen, an increase of 18,945,923 yen. Japan's chief purchases from South America were from Argentina (16,370,889 yen), from Peru (11,414,856 yen), and from Uruguay (4,494,850 yen).

Imports from African countries were valued at 69,185,777 yen as compared with 79,573,681 yen in 1934, a decrease of 10,387,904 yen. The largest African exporters of goods to Japan were Egypt (51,304,955 yen); the Federation of South Africa (4,761,520 yen); Kenya, Uganda, and Tanganyika (2,954,799 yen); and Italian Somaliland (2,356,986 yen).

Imports from Oceanic countries were valued at 248,916,704 yen as against 214,295,893 yen, an increase of 34,620,811 yen. Of this amount, imports from Australia were valued at 235,128,031 yen, from New Zealand at 6,363,973 yen, from the Gilbert and Ellice Islands at 3,694,862 yen, and from the Society Islands at 3,278,956 yen.

IMPORTS BY COMMODITIES

As usual, Japan's largest single import item was that of raw cotton, imports of which were valued at over 29 per cent of the value of Japan's total imports for the year under review. Japan's huge imports of raw cotton amounted to 1,621,453,548 pounds (714,261,940 yen) as against 1,789,240,464 pounds (731,424,836 yen) in 1934, a decrease in both quantity and value. The largest suppliers of raw cotton to Japan were the United States (371,952,051 yen), British India (259,036,862 yen), Egypt (43,009,410 yen), and China proper (20,705,122 yen). The second largest import was that of sheep's wool, amounting to 243,009,360 pounds valued at 191,760,871 yen as against 181,217,520 pounds valued at 186,455,460 yen in 1934. The largest suppliers of sheep's wool to Japan were Australia (182,007,020 yen) and New Zealand (4,006,846 yen).

Iron and steel were Japan's third largest import, amounting to 2,437,128 short tons (164,802,914 yen) as against 2,050,014 short tons (144,612,836 yen) in the previous year. Imports of iron and steel came chiefly from the United States (87,901,370 yen), Germany (18,691,720 yen), Belgium (16,902,896 yen), and Great Britain (11,535,071 yen).

Fourth largest import item was that of crude and heavy mineral oil, amounting to 918,737,100 gallons (106,825,959 yen) as against 743,985,100 gallons (82,482,862 yen) in 1934. Imports of this mineral oil came chiefly from the United States (81,336,377 yen) and the Dutch East Indies (11,863,967 yen). In addition to the above-mentioned mineral oil, 183,861,800 gallons of mineral oil under 0-8762 S.G. (37,185,389 yen) were imported, chiefly from the Dutch East Indies and the United States. From a value standpoint machinery comes fifth in order of importance—102,675,668 yen as compared with 96,712,897 yen in 1934.

Other imports of importance were: beans and peas (71,648,549 yen), chiefly from Manchukuo, China proper, and British India; crude rubber (51,636,065 yen), chiefly from the Straits Settlements and the Dutch East Indies; lumber (49,775,176 yen), chiefly from the United States, Canada, the Philippine Islands, and British Borneo; coal (48,970,334 yen), chiefly from Manchukuo, French Indo-China, and China proper; oil-yielding materials (43,087,706 yen), chiefly from Manchukuo, China proper, the Dutch East Indies, and Argentina; ores (44,541,724 yen), chiefly from China proper, Australia, British India, and Great Britain; pulp (55,101,181 yen), chiefly from the United States, Norway, Sweden,

and Canada; wheat (43,199,110 yen), chiefly from Australia, Canada, and Argentina; pig iron (41,179,962 yen), chiefly from Manchukuo and British India; oilcake (38,678,025 yen), chiefly from Manchukuo, Kwantung Province, and China proper; copper (36,444,303 yen), chiefly from the United States; automobiles and parts (32,589,374 yen), chiefly from the United States; vegetable fibres (27,794,559 yen), chiefly from the Philippines, China proper, and British India; hides and skins (21,356,266 yen), chiefly from the United States, China proper, and Australia; sulphate of ammonia (21,069,355 yen), chiefly from Germany and Manchukuo; and lead (20,292,047 yen), chiefly from Canada, the United States, and British India.

The following products were imported to a value not exceeding 20,000,000 yen and not less than 5,000,000 yen:—

Fresh beef, chiefly from China proper; caustic soda, chiefly from Great Britain; crude nitrate of soda, chiefly from Chile and the United States; synthetic colours, chiefly from Germany, Switzerland, and the United States; woollen tissues, chiefly from Great Britain; newsprint, chiefly from Canada; aluminium, chiefly from Canada, Norway, and Switzerland; tin, chiefly from the Straits Settlements, China proper, and Hongkong; zinc, chiefly from Canada, Australia, and the United States; and wheat bran, chiefly from China proper.

SUMMARY OF FOREIGN TRADE OF JAPAN

The following is a summary of Japan's total foreign trade for the years 1935 and 1934:—

	1935 Yen	1934 Yen	Per Cent Inc. or Dec.
Exports	2,499,073,045	2,171,924,623	+ 15.1
Imports	2,472,236,116	2,282,601,600	+ 8.3
Total	4,971,309,161	4,454,526,223	+ 11.6
Excess of exports	26,836,929		
Excess of imports		110,676,977	

PRINCIPAL EXPORTS AND IMPORTS

The following figures show Japan's chief exports and imports for the calendar years 1935 and 1934, together with the percentage of increase or decrease as against 1934:—

Principal Exports from Japan

	1935 Yen	1934 Yen	Per Cent Inc. or Dec.
Raw silk	387,032,274	286,793,875	+ 35.0
Cotton tissues—			
Other	265,437,738	279,854,625	— 5.2
Grey	145,355,763	123,579,741	+ 17.6
Bleached	85,303,581	88,916,657	— 4.1
Artificial silk tissues	128,260,226	113,484,235	+ 13.0
Silk tissues	77,444,346	77,487,846	— 0.1
Iron	65,835,896	53,029,170	+ 24.1
Machinery	63,856,000	57,777,229	+ 10.5
Comestibles	57,129,885	50,304,226	+ 13.6
Knitted goods	50,266,329	47,617,692	+ 5.6
Pottery	42,734,514	41,877,441	+ 2.0
Iron manufactures	37,503,530	35,276,529	+ 6.3
Cotton yarns	35,873,277	23,484,585	+ 52.8
Toys	33,852,104	30,385,563	+ 11.4
Wheat flour	33,699,761	28,451,525	+ 18.4
Vegetable fatty oils	33,051,262	12,291,371	+ 168.9
Woollen tissues	32,400,823	29,848,720	+ 8.6
Glass and its manufactures	23,337,433	19,454,303	+ 20.0
Lumber	23,181,968	23,915,054	— 3.1
Papers	23,084,574	20,650,253	+ 11.8
Artificial silk	22,852,554	22,399,525	+ 2.0
Aquatic products	20,734,798	16,473,238	+ 25.9
Refined sugar	17,576,712	13,531,670	+ 29.9
Lamps and parts	16,747,470	15,696,260	+ 6.7
Hats and caps	16,284,354	17,860,375	— 8.8
Jewellery	11,924,113	10,085,705	+ 18.2
Tea	11,418,592	9,557,111	+ 19.5

Principal Imports into Japan

	1935 Yen	1934 Yen	Per Cent Inc. or Dec.
Raw cotton	714,261,940	731,424,836	— 2.3
Sheep's wool	191,760,871	186,455,460	+ 2.8
Iron and steel	164,802,914	144,612,836	+ 13.9
Crude and heavy mineral oils	106,825,959	82,482,862	+ 29.5
Machinery	102,675,668	96,712,897	+ 6.2
Beans and peas	71,648,549	51,968,096	+ 37.9
Pulp for paper and rayon	55,101,181	44,255,752	+ 24.5
India rubber and gutta percha	51,636,065	57,337,922	— 9.9
Lumber	49,775,176	40,183,059	+ 23.9
Coal	48,970,334	47,192,729	+ 3.8
Ores	44,541,724	27,805,624	+ 60.2
Wheat	43,199,110	40,748,550	+ 6.0
Oil-yielding materials	43,087,706	25,257,444	+ 70.6
Pig iron	41,179,962	26,528,461	+ 55.2
Oil cake	38,678,025	42,052,090	— 8.0
Mineral oil under 0.8762 S.G.	37,185,389	33,358,627	+ 11.5
Copper	36,444,303	26,171,208	+ 39.3
Automobiles and parts	32,589,347	32,302,224	+ 0.9
Other vegetable fibres	27,794,559	27,461,821	+ 1.2
Hides and skins	21,356,266	16,320,324	+ 30.9
Sulphate of ammonia	21,069,355	13,806,538	+ 52.6
Lead	20,292,047	17,903,409	+ 13.3
Phosphorite	20,059,689	16,677,252	+ 20.3
Tin	15,581,238	15,316,604	+ 1.7
Aluminium	14,323,219	7,431,016	+ 92.7
Zinc	8,502,582	7,227,645	+ 17.6
Newsprint	8,211,933	5,657,286	+ 45.2

JAPAN'S TRADE WITH CANADA

Japan's total trade with Canada in 1935 was valued at 60,508,601 yen as against 62,759,707 yen in 1934, a decrease of 2,251,106 yen.

Exports to Canada were valued at 7,977,242 yen as against 8,666,087 yen in 1934, a decrease of 688,845 yen; and imports from Canada were valued at 52,531,359 yen as against 54,093,620 yen in 1934, a decrease of 1,562,261 yen.

As usual, Japan had an unfavourable balance of trade with Canada, which amounted to 44,554,117 yen as against an excess of imports in 1934 amounting to 45,427,533 yen. This is according to Japanese statistics, which do not, of course, show indirect exports to Canada such as raw silk, which is purchased through New York. If Canada's purchases of raw silk were taken into account, Japan's unfavourable balance of trade with Canada would be reduced to a considerable extent. According to the returns of the Dominion Bureau of Statistics, Canada's imports of "silk cocoons, raw silk, not more advanced than singles, not to include material wholly or partially degummed," for the calendar years 1934 and 1935 were as follows:—

	(a) According to Countries of Consignment		(b) According to Countries of Origin	
	Pounds	Dollars	Pounds	Dollars
Calendar Year 1934				
Total imports	2,647,050	3,820,833	2,647,050	3,820,833
Japan	122,830	220,521	2,630,894	3,799,090
United States	2,521,604	3,597,644	519	195
Calendar Year 1935				
Total imports	3,274,721	5,344,408	3,274,721	5,344,408
Japan	25,980	56,201	2,942,682	4,740,466
United States	3,160,754	5,153,132	.....	.....

EXPORTS TO CANADA

Japan's largest export to Canada is raw silk; but, as has been mentioned above, this product is imported into Canada from the United States, and is therefore shown in Japanese statistics as an export to the United States. According to Japanese statistics, direct exports of raw silk to Canada amounted to only 120 bales valued at 70,480 yen during 1935; but, according to the above table, the value of the importations from Japan into the Dominion was over

16,000,000 yen. Japan's next largest exports to Canada were pottery, toys, tea, rice and paddy, silk tissues, artificial silk tissues, lamps and parts, and buttons. Exports of pottery were valued at 1,458,154 yen as against 1,508,266 yen in 1934, a decrease of 50,112 yen. Canada was Japan's sixth best customer for these exports. Exports of toys to the Dominion were valued at 758,251 yen as compared with 627,434 yen in 1934, an increase of 130,817 yen.

Exports of tea to Canada were valued at 578,939 yen as against 875,717 yen in the previous year, a decrease of 296,778 yen. Canada was Japan's third largest buyer of tea. Exports of rice and paddy to Canada were valued at 492,729 yen as against 1,195,260 yen, a decrease of 702,531 yen. Canada came third as a purchaser of Japanese rice, although she was second to Holland in 1933 and 1934. Exports of silk tissues to Canada were valued at 226,955 yen, artificial silk tissues at 132,735 yen, lamps and parts at 86,583 yen, buttons at 64,259 yen, brushes at 59,251 yen, silk handkerchiefs at 52,765 yen, menthol crystals at 40,897 yen, and beans at 22,162 yen.

IMPORTS FROM CANADA

Japan's largest imports from Canada during 1935 were lumber, lead, newsprint, wheat, aluminium, paper and rayon pulp, and zinc.

Imports of lumber from Canada were valued at 8,258,295 yen as against 9,469,758 yen in 1934, a decrease of 1,211,463 yen. Canada was Japan's second largest lumber supplier, the United States coming first by a large margin. Japan's second largest import from Canada was lead, imports of which amounted to 34,654 short tons (6,928,931 yen) as against 43,782 short tons (7,405,503 yen) in 1934, a decrease in both quantity and value. Canada maintained her position as the largest source of supply of lead to Japan, and was followed by the United States (4,815,423 yen) and British India (4,634,592 yen).

Japan's third largest import from Canada during the year was newsprint, and Canada maintained her position as by far the largest source of supply. Out of total imports of newsprint amounting to 66,660 short tons (8,211,933 yen), the Dominion is credited with 60,689 short tons (6,843,554 yen) as compared with 47,183 tons (4,595,089 yen) in 1934. The remaining imports of newsprint were supplied chiefly by Great Britain, Norway, and the United States.

Wheat came fourth in the list of Japan's chief purchases from Canada in 1935. Imports amounted to 1,939,929 bushels (6,257,769 yen) as against 2,916,207 bushels (8,119,710 yen) in 1934. Canada came next to Australia as Japan's largest wheat supplier.

The fifth largest import from Canada was aluminium amounting to 4,911 short tons valued at 6,029,804 yen as against 3,468 short tons valued at 4,025,991 yen. The Dominion was, as usual, Japan's principal source of supply; other imports came chiefly from Norway and Switzerland.

Paper and rayon pulp was the next largest import from Canada. Imports of pulp from Canada declined during the year and were valued at 5,990,632 yen as against 7,244,947 yen in 1934. Shipments of paper and rayon pulp from the United States and Norway increased during the year. Canada, however, maintained her position as fourth largest supplier of pulp, following the United States, Norway, and Sweden. Canada held first place in zinc, imports from the Dominion amounting to 11,813 short tons (2,813,555 yen) as against 13,599 tons (3,419,811 yen) in 1934, a decrease in both quantity and value. Imports of zinc came also from Australia (2,729,186 yen) and the United States (1,848,111 yen). There were considerable imports of wheat flour from the Dominion, the statistics for which are not yet available.

Imports of beef (fresh) from Canada, which were valued at only 225 yen in 1933, were valued at 171,997 yen during the year under review as against 115,250 yen in 1934, an increase of 56,747 yen. China had by far the largest

share of this trade, imports from that country being valued at 4,026,406 yen; Australia's share was 515,079 yen, and that of Kwantung Province 513,067 yen.

Imports of iron and steel from Canada were valued at 850,861 yen as compared with 1,159,129 yen in 1934, and imports of copper at 40,254 yen as against nil in 1934 and 167,098 yen in 1933. The United States supplied 99 per cent of the trade (36,444,303 yen). Imports of automobiles and parts from Canada were valued at 38,099 yen as against 43,331 yen in 1934.

Although Japanese trade statistics only list countries of origin for a few commodities, the importation from Canada of the following other products was noted during the year under review:—

Asbestos, rubber gloves, skates, hockey sticks, pucks, carbon paper, scrap iron, silver fox skins, papermakers' felts, men's hats, iron ore, steamships, rolled oats, macaroni, cheese, sweet corn, tomato ketchup, salt salmon, salted herring, powdered milk, condensed milk, butter, kippered herrings, sausages, bacon, hams, turkeys, tomato juice, chocolates, rye whisky, tallow, furs, cobalt oxide, nickel, piano actions, emery paper, kraft paper, bond paper, lenses, wallpaper, pipe cleaners, razor blades, lithographed pictures, powdered milk, and condensed milk.

SUMMARY OF JAPAN'S TRADE WITH CANADA, 1935 AND 1934

The following is a summary of Japan's total trade with Canada for the years 1935 and 1934:—

	1935 Yen	1934 Yen	Per Cent Inc. or Dec.
Imports	52,531,359	54,093,620	-2.9
Exports	7,977,242	8,666,087	-8.0
Total trade	60,508,601	62,759,707	-3.6
Excess of imports	44,554,117	45,427,533	-1.9

CHIEF EXPORTS AND IMPORTS

The following table shows Japan's chief exports to and imports from Canada for the years 1935 and 1934, together with percentage of increase or decrease compared to 1934:—

Principal Exports to Canada, 1934 and 1935

	1935 Yen	1934 Yen	Per Cent Inc. or Dec.
Pottery	1,458,154	1,508,266	- 3.2
Toys	758,251	627,434	+20.8
Tea	578,939	875,717	-33.9
Rice and paddy	492,729	1,195,260	-58.8
Silk tissues	226,955	142,704	+59.0
Artificial silk tissues	132,735	157,666	-15.8
Lamps and parts	86,583	56,195	+54.1
Raw silk (direct exports)	70,480	411,267	-82.9
Buttons	64,259	122,028	-47.3
Brushes	59,251	67,698	-12.5
Silk handkerchiefs	52,765	27,856	+89.4
Menthol crystals	40,897	59,757	-31.6
Beans	22,162	19,681	+12.6

Principal Imports from Canada, 1934 and 1935

	1935 Yen	1934 Yen	Per Cent Inc. or Dec.
Lumber	8,258,295	9,469,758	-12.8
Lead	6,928,931	7,405,503	- 6.4
Newsprint	6,843,554	4,595,089	+48.9
Wheat	6,257,769	8,119,710	-22.9
Aluminium	6,029,804	4,025,991	+49.8
Pulp (paper and rayon)	5,990,632	7,244,947	-17.3
Zinc	2,813,555	3,419,811	-17.7
Iron and steel	850,861	1,159,129	-26.6
Beef (fresh)	171,997	115,250	+49.2
Machinery and parts	130,918	252,197	-48.1
Copper	40,254	.....	.....
Automobiles and parts	38,099	43,311	-12.0

BRAZILIAN MARKET FOR CODFISH

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, February 11, 1936.—Although import figures for 1935 are available for only the first eleven months, it would appear that the decrease in volume of imports of codfish which has occurred during the past five years has now been checked. December is usually a month of heavy imports, and it is quite probable that when the figures for that month are published it will be found that the totals for the last two years are very close. There has been a tendency of the milreis value to increase and the dollar value to decrease. This tendency is due to the depreciated value of the milreis in terms of foreign currency.

Total Imports

Years	M. Tons	Value in Contos of Reis
1933	26,162	43,646
1934	18,793	36,714
1935 (January-November)	16,353	36,564

	Jan.-Nov.,			Jan.-Nov.,			Jan.-Nov.,		
	1933	1934	1935	1933	1934	1935	1933	1934	1935
	Values in Dollars			Quantities in Kilos			Values in Milreis		
Germany	10,902	19,913	3,645	71,564	116,764	20,300	136,276	284,473	58,560
United States.. . . .	39,175	30,166	48,364	252,070	214,876	453,160	489,688	430,949	928,166
France	7,057	6,679	.....	55,100	58,870	.....	88,213	95,427	.....
Great Britain	1,111,811	828,105	490,840	7,773,553	5,577,342	3,452,454	13,897,649	11,830,078	9,439,246
Iceland . . . . .	.....	.....	77,326	.....	.....	582,030	.....	.....	1,487,050
Norway	676,873	481,081	214,708	4,752,198	3,012,025	1,568,508	8,460,915	6,872,599	4,129,019
Canada . . . . .	.....	14,589	1,545	.....	118,900	13,050	.....	208,428	29,712
Newfoundland.. . . .	1,638,954	1,172,923	1,052,149	13,218,344	9,601,826	10,213,986	20,486,931	16,756,045	20,233,644
Sweden	3,980	3,871	.....	28,130	26,100	.....	49,761	55,308	.....
Others.. . . .	2,958	12,648	.....	11,198	66,297	.....	36,987	180,693	.....

PERIOD OF THE MARKET

The heaviest imports into Brazil are made during the first three months of the year, after which there is a decided drop until July, when there are again heavy arrivals. August, September, and October are better months than April, May, and June, but also represent a season of small purchases. During November the Christmas heavy purchasing begins, which overlaps into the beginning of the following year.

COMPETITION

Newfoundland, Norway, and Great Britain have for many years been the greatest sources of supply.

In 1935 Iceland, owing, it is said, to the application of quotas in certain of their best markets, has after several years' absence made her reappearance. In the nine months from March, 1935, the total imports from Iceland amounted to 582,000 kilos, which is almost 60 per cent more than their peak shipments during the past six years, which was reached in 1930 when the total was 376,000 kilos. Apparently Great Britain and Norway are principally affected as the result of increased competition from Iceland. In 1934, 214,000 kilos were imported from the United States and 118,000 kilos from Canada, bringing the total to 332,000 kilos. It is probable that a considerable portion of the fish imported from the United States is Canadian fish in transit.

Although during the past year a small quantity of Japanese codfish was shipped to Santos, for the time being at least imports from that country are expected to be small.

REQUIREMENTS OF THE MARKET

Generally speaking, Brazil demands a hard-cured fish, usually of a light colour. The colour preference varies considerably in the different regions. In Rio de Janeiro a white fish is preferred. In São Paulo and Minas Geraes and the more southern states colour is secondary to flavour, cure, and price. The northern states, having for many years been accustomed to Newfoundland fish, show very little preference, one way or the other. Fish for Brazil should be prepared by being split down the belly, thoroughly cleaned, and the head removed; nape and tail are left on. Heavy salting is not desirable. There is very little boneless cod imported.

GRADING AND PACKING

Most widely accepted standards of grading for the Brazilian market are undoubtedly those which have been established by Norway. The measurement of the fish is calculated as the distance between two parallel lines, one between the two outside points of the nape and the other cutting the tail at the apex of the "V."

The grades are in accordance with the following:—

Extra porto.	20/22	fish each full case of 2 kilos
Porto.	24/28	fish each full case of 2 kilos upwards
Imperial.	65/80	cm. or more each fish; up to 2 kilos
Imperial medio (medium).	55/65	cm. each fish
Imperial pequeno up to (small)	55	cm. each fish
Regular.	60/75	cm. or more each fish; up to 2 kilos
Regular medio up to (medium)	65	cm. each fish

In the case of "extra porto" there are usually from twelve to fifteen fish in the case rather than the twenty to twenty-two as mentioned in the table, since these are the choicest fish. The "regular" contains, as a rule, thirty-five to forty fish to the box, as does also the "imperial." Under the "regular" there is a considerable amount of fish imported running as high as seventy fish to the case. Each case, regardless of the size or weight of the individual fish, contains 58 kilos, while a half-case contains 29 kilos.

The northern states have long been accustomed to the Newfoundland pack of barrels and half-barrels, and these are now coming to some extent into the southern markets of Rio de Janeiro and São Paulo. Although the box and half-box are much preferred, the half-barrel may be sold on these southern markets. The full barrel is considered undesirable because of its size and the difficulty of handling for transport into the interior, and also because it often contains more fish than is required in any given sale. Some attempts have been made on the part of European exporters to ship codfish in bales. This practice is one that is not, under any circumstances, recommended.

PRICES

During the first eleven months of 1935 the c.i.f. prices for codfish shipped from Great Britain averaged approximately \$8.80 per box, from Norway \$8.47, from the United States (which included Canadian fish) \$6.40, and from Newfoundland \$6.36. Fish from Iceland averaged throughout the year \$8.22. It is significant to note, however, that prices of the first shipments were little higher than those from Newfoundland, averaging around \$6.69 per case. However, as soon as this fish became recognized on the market, prices immediately increased until by October and November a price above the average for Norwegian fish was demanded for them. The increasing price of Icelandic fish did not affect the volume of sales, as these increased from 51,000 kilos in March to 365,000 and 332,000 kilos respectively in October and November.

Newfoundland fish of the black-wing type, or ling, hake, or haddock, command 13s. 6d. per half-barrel of 64 pounds net and 26s. 6d. for a full barrel.

Present prices for the very finest grades of codfish of British origin are as high as 200 milreis c.i.f. or approximately \$11 a case in Rio de Janeiro. These, of course, are for large, heavy, well-cured fish. The second grades are from 130 to 135 milreis or approximately \$7.75 per case.

Of the 18,792,000 kilograms of codfish imported into Brazil in 1934, over 17,958,000 kilograms were imported through six ports. The following is a comparison of the imports and average price c.i.f. per case of 58 kilos in each instance:—

Port	Total Imports	Value Contos of Reis	Average Dollar Price per Case c.i.f.
Cabedello.. . . .	1,007,489	1,806	8.31
Recife	3,707,341	6,506	8.14
Maceió	1,657,959	2,943	8.23
Bahia	2,601,892	4,469	7.96
Rio de Janeiro	4,701,658	10,284	10.11
Santos	4,285,172	8,954	9.69

Cabedello, Recife, Maceió, and Bahia are all ports of states of northern Brazil and the imports are chiefly Newfoundland fish. The variations in prices are, to a great extent, owing to the difference in transshipment charges from (generally) Recife.

METHODS OF SELLING

It may be said that all codfish is now sold on the Brazilian market cash against documents. The exporter operates entirely through commission agents, who receive a commission of 3 per cent, which is included in the quoted price. Exporters draw on the consignee at sight, and must guarantee the arrival of the fish in good condition. Shipments to São Paulo are sold delivered in good condition in São Paulo, via the port of Santos, and risks of theft, loss, or deterioration must be borne by the exporter up to that point. It should also be noted that cable charges are for the account of the exporter. Prices should preferably be quoted in sterling.

In the case of Canadian exporters new to this market, it will probably be necessary for them to make the first shipment cash thirty days, but it is possible that cash-against-documents might be arranged for a 2 per cent discount. However, the decision would have to rest with the importer.

There has been no difficulty in obtaining prompt payment for Norwegian fish, and there is little in the way of claims, because, through an efficient inspection service at point of shipment, importers have the assurance that the grading will be up to the standard specified for and that the fish will arrive in the best possible condition. In the event of dissatisfaction, arbitration is resorted to. In the case of fish which arrives deteriorated, a rebate must be granted. Should the fish be moist, the discount is generally around 10 per cent, while, should it show signs of skinning when the finger is run down the back, it is generally 15 per cent.

POSSIBILITIES FOR CANADIAN CODFISH

Although in the markets of Rio de Janeiro Canadian codfish, because of its darker colour, cannot expect to be in as great demand as it would if it were white, the São Paulo and other southern and central markets offer excellent opportunities. Imports through Rio de Janeiro totalled 4,701,000 kilos in 1934. A considerable portion of this was undoubtedly darker coloured fish in transit to Minas Geraes.

The northern markets of Bahia, Recife, and Maceió do not afford a good opening for Canadian codfish unless Canadian exporters can sell c.i.f. at these ports at prices to compete with the Newfoundland product. If Canadian exporters wish to enlarge their present market, they must accept prices not higher

than those for Norwegian and Swedish fish, and in the case of first shipments, they should be prepared to accept prices of from 25 to 50 cents below Norwegian quotations.

Interested firms in Rio de Janeiro estimate that the prices Canadian fish could command on this market would be from 26s. to 28s. per box for "regular" of from thirty-five to forty fish. Importers in São Paulo, however, regard 36s. less 2 per cent for cash as a probable price for the same grade, for boxes containing sixty fish a price of \$7 to \$7.25, and for fish comparable to the "extra porto" from \$8 to \$8.50.

CUSTOMS TARIFF, EXCHANGE RESTRICTIONS, ETC.

Canada, in virtue of having an agreement with Brazil, enjoys the minimum tariff of 0.484 milreis per kilo (\$1.82 per 100 pounds), net weight, on dry-salted, unboned codfish as against 0.605 milreis per kilo (\$2.28 per 100 pounds) under the maximum tariff. Duties on boned codfish are 50 per cent higher. There are no quotas, restrictions, or other impediments to the codfish trade in Brazil. Early in 1935 the barrier of exchange restrictions was removed. Payment in foreign currencies can now be made immediately for imported merchandise on the due date of the draft.

Although it is probable that Canadian exporters in the first instance may have to grant terms of payment, this is not recommended as a general practice. Brazilian importers are quite accustomed to cash-against-documents payments, and in view of the recognized difficulties which Brazil is undergoing in maintaining an adequate supply of foreign currency, there is a risk in having dollar accounts outstanding.

ECONOMIC CONDITIONS IN ECUADOR

R. W. MCBURNEY, ASSISTANT TRADE COMMISSIONER

Lima, February 14, 1936.—The Budget for 1935, amounting to 63,575,000 sucres, showed an increase of nearly 20 per cent over the final 1934 estimates. Notwithstanding the increase, figures for the half-year showed most satisfactory results, attributed partially to reduced expenditures resulting from economies effected in non-indispensable services, and partially from increased revenues from customs duties. Collections, exceeding official expectations, totalled 29,210,724 sucres for the half-year, as against the corresponding 1934 figure of 20,911,391 sucres.

The foreign debt, as at January 2, 1935, stood at \$25,386,080 (United States), of which \$13,376,603 is principal and the balance interest on arrears. No payment has been made on the foreign debt for some years, nor was any provision made for service on the debt in the 1935 Budget.

EXCHANGE

Problems relative to exchange have occupied a prominent position in Ecuadorean economic affairs during the past year. At the end of 1934 the sucre showed an alarming tendency towards depreciation, in terms of United States currency. As a means of checking this depreciation, the Government shipped \$1,000,000 in gold to the United States. The measure was effective inasmuch as by the middle of January the rate had dropped to 10.50 sucres to the dollar, as against the December rate of 12.50, and continued, with minor fluctuations, to remain at that level throughout the year.

Uncertainty on the part of importers as to the ability of the Government to maintain the lower rate led them to place large orders abroad, in anticipation of renewed depreciation of the sucre. The resultant increase in demands for foreign exchange to pay for such imports seriously menaced the gold reserves of the state. With a view to checking this situation, decrees dated January 5, March 7, and April 30 were issued, each of which increased duties on various items in the tariff. An additional step was the imposition of surcharges, ranging from 20 per cent to 50 per cent, applicable on a number of commodities when these originated in countries whose trade balance with Ecuador was unfavourable to the extent of 50 per cent or more. The obvious intention was to force such countries to buy more from Ecuador, thereby easing the exchange situation.

EXCHANGE CONTROL

By decree of October 7 (reported in *Commercial Intelligence Journal* No. 1661: November 30, 1935), exchange control in Ecuador was totally abolished as being an unfair burden on national agriculture. Operation of the exchange control system in the first six months of the year obtained foreign exchange to the value of 18,325,926 sucres, most of which was remitted abroad in payments on frozen accounts.

COLLECTIONS

Bankruptcies, voluntary liquidations, and protested drafts were rare during 1935. Bank collections were generally satisfactory, though a tendency towards the deferring of payment was noted. This was credited to a tightening of credit facilities—a policy adopted by the commercial banks after an unduly liberal credit policy, followed up to the end of February, had brought them perilously close to the straining of reserves.

During the year sight draft terms were the rule for about 60 per cent of all business, some 30 per cent being transacted on 30- to 120-day terms, 5 per cent on a prepaid cash basis, and 5 per cent on open credit terms. Only the oldest and best-established business houses have enjoyed the latter privilege.

Exception is made to the foregoing paragraph in the case of trade with Germany, which continues to be carried on under the "Aski-mark" system.

INDUSTRY

Although statistics are not as yet available, most of the leading Ecuadorean industries reported satisfactory activity, with the exception of gold mining, where strikes in the principal mines restricted production. The manufacturing industries, particularly the textile and shoe trades, reported progress. Cacao and coffee both enjoyed good crops and favourable market conditions. Petroleum production followed normal lines. Marked building activity has been noted during the year, particularly as regards the renovating and remodelling of private houses.

EXTERNAL TRADE

Preliminary figures, complete only for the first nine months of the year, show an increase of 74.4 per cent in imports and 2.4 per cent in exports as compared with the corresponding period of 1934. Imports in the January-September period of 1935 totalled 71,821,000 sucres and exports 79,824,000 sucres. The United States, Germany, Great Britain, and Japan, in that order, were the leading countries.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Imperial Preference on Wooden Handles

The Canadian Trade Commissioner in London writes that he has received a letter from the Secretary of H.M. Customs in London regarding the title to Imperial preference of wooden handles for tools or implements and of tools or implements wholly or mainly of wood consigned to the United Kingdom from Canada. The secretary states that it has been decided to ask Canadian exporters of the above products to supply the following information:—

- (a) Nature of each different description or article exported to this country under claim to preference;
- (b) description of wood or woods used;
- (c) sources of supply of the wood and condition (e.g. billets) in which received into factory;
- (d) whether (i) only Empire-grown wood, (ii) only non-Empire-grown wood, (iii) both Empire and non-Empire-grown wood is used;
- (e) in case (d) (iii), whether the Empire-grown wood is segregated for use in articles exported to this country and whether records are kept which will prove, in the event of inspection, that only Empire wood has been used in goods in respect of which preference is or has been claimed.

Where manufacturers are not in a position to certify that Empire wood is, and has been, exclusively used in goods exported to the United Kingdom under claim to preference, a full cost analysis in the usual form should also be furnished.

It is added that in cases where the Customs admit the title of the products to preference, certificates of origin should be endorsed "Made from Canadian-grown wood" (provided this is in accordance with the facts). The Customs suggest that any manufacturers who have no current consignments under review but who intend to export to the United Kingdom under preference in future should furnish information along the above lines in time for a decision to be reached before the goods arrive.

United Kingdom Tariff Changes

Additional Import Duties (No. 4) Order, 1936, of the United Kingdom, effective March 6, provides for a minimum specific duty of 15 shillings per dozen on hats, caps, bonnets, hoods, hat shapes, brims, crowns, and similar articles (but not including loosely felted hat forms and cone-shaped felt hat bodies) made wholly or partly of felt, of which any part has a velour, soleil, peach bloom, or other finish with a raised or laid pile. The existing duty of 30 per cent ad valorem will continue to apply where it would yield a greater amount of duty than 15 shillings per dozen.

Hats, etc., which are Canadian or British Empire products within the meaning of the Imperial preference regulations, are exempt from the above-mentioned duties.

If any of the goods in question contain silk or artificial silk, the silk duties would have to be taken into account.

Irish Free State Import Quota on Tires

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, the import quota for outer covers and inner tubes for bicycle and tricycle tires has been fixed at a total of 4,000 tubes and 4,000 tires for the period April 1, 1936, to September 30, 1936.

This compares with an import quota of 171,000 outer covers and 141,000 inner tubes in the corresponding period last year. The large decline in permitted imports is due to the increased local manufacture by the Cork branch of the Dunlop Rubber Company, Limited.

Irish Free State Control of Imports

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, the import quota for leather boots and shoes has been fixed at 640,000 articles for the period April 1 to September 30, 1936, as against 1,400,000 articles for the previous six months' quota period.

Sugar imports have been fixed at 1,300 tons for the period April 1 to May 13, 1936, as against 3,700 tons for the period April 1 to June 30, 1935.

The importation of cement into the Saorstat has been prohibited, except under licence, as from February 29, 1936. The preliminary period ends on March 30, which has been fixed as the day on which the first quota period for imports shall commence.

Netherlands India Import Restrictions on Ready-made Clothing

Mr. R. P. Bower, Acting Trade Commissioner in Batavia, writes under date February 10, 1936, that the Netherlands Indian Government has passed an ordinance restricting the importation of certain items of ready-made clothing. The period of restriction is for the ten months commencing February 8, 1936, and during that period importation is prohibited in excess of certain quantities.

No countries of origin are specified in the ordinance, but the import houses established in Netherlands India are allowed various shares of the business in proportion to the amount of business they did in these same lines during the years 1929-34 inclusive.

Application of Cuban Maximum Tariff

Mr. S. G. MacDonald, Assistant Trade Commissioner at Havana, reports that by decree-law No. 464 of March 3, published in the official *Gazette* of March 10, the President of Cuba, by virtue of law No. 14 of March 15, 1935, designated countries against which the maximum general tariff, the minimum tariff (half the maximum) and the minimum tariff plus surcharge shall apply for the calendar year 1936.

Under decree-law No. 698 of March 29, 1935, and effective for six months from April 2, 1935, codfish was declared an "article of necessity" and therefore subject to the minimum tariff irrespective of country of origin. This law was extended by decree-law No. 1941 of August 3, 1935, for a further period of six months, or until April 2, 1936.

Goods on the free list, which include newsprint, certain printed matter, seed potatoes, rough pine and Douglas fir, live animals, unmanufactured hides and skins, and avicultural apparatus are not affected.

The basis of the tariff categories for the year 1935 is continued for 1936, whereby all countries purchasing from Cuba 50 per cent of their sales to that country shall be subject to the minimum tariff; all countries purchasing between 25 per cent and 50 per cent of sales shall be subject to the minimum tariff plus a surcharge of 25 per cent, and all countries purchasing less than 25 per cent of sales shall be subject to the maximum general tariff. On this basis the following countries are placed under the maximum general tariff: Canada, Chile, Ecuador, Mexico, Paraguay, Venezuela, Austria, Czechoslovakia, Denmark, Irish Free State, Italy, Lithuania, Norway, Poland, Roumania, Switzerland, Turkey, Yugoslavia, Japan, Philippine Islands, British India, Russia, Hungary, Bulgaria, Greece, Abyssinia, Persia, Siam, Arabia, Java, Sumatra and other Dutch Oceanic possessions, Dutch Antilles and other Dutch colonies. Portugal and China are to be subject to the minimum tariff plus a surcharge of 25 per cent. All other countries are subject to the minimum tariff.

The tariff under which the respective countries now are classified became effective as from February 29, 1936, but increases in duties resulting from any modifications from this decree-law were not applicable to articles exported to Cuba on or before March 10, 1936.

A decree-law was promulgated on February 22, 1936, under which the President of Cuba was authorized to apply the minimum customs tariff during any calendar year, upon recommendation of the Secretaries of the Treasury and of State, to merchandise imported from countries which pledge themselves to import from Cuba during that particular year goods representing a value of at least 50 per cent of Cuba's imports from them. The President is authorized to annul the concession after July 1 of the respective year if from the amount of the purchases made until that date it can be assumed that the country in question will be unable to keep its agreement. Provision for annulment is also made at any time if the cited country adopts measures which would cause difficulties in remittances to Cuba. By virtue of similar pledges given during 1935, a number of countries whose purchases previously had been less than 50 per cent of sales were granted the minimum tariff. This present decree-law empowers the President to grant similar concessions for 1936 and subsequent years to all countries meeting the requirements above indicated.

Cuban Consular Fee Reduced on Canadian and United Kingdom Goods

A notice was published in the *Government Gazette* of Cuba of March 15, effective April 1, reducing from 5 per cent to 2 per cent the consular fee for certification of invoices of Canadian and United Kingdom goods shipped to Cuba. The fee has been 5 per cent for a long period, but under the Trade Agreement of August 24, 1934, between Cuba and the United States was reduced to 2 per cent for United States products.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the New Zealand Government Railways, Wellington, and the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Comptroller of Stores, New Zealand Government Railways, Wellington; and the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications. Particulars:—

New Zealand Government Railways.—Six electrical multiple-unit motor coaches; six multiple-unit electric control trailing coaches; all and singular the other equipment specified in the specification (tenders close May 18).

Post and Telegraph Department.—500 frames, label; 500 governor assemblies (tenders close May 26); 750 telephones (tenders close April 17); 2,000 gongs, bronzed to British Post Office specification No. D.190; 3,000 nuts, locking, top, threaded; 100 jacks, British Post Office No. 10 (tenders close May 22); 100 spools, resistance 250 ohms.; 50 spools, resistance 300-300 ohms.; 50 spools, resistance 313 ohms.; 100 spools, resistance 500 ohms.; 50 spools, resistance 650 ohms.; 50 spools, resistance 700 ohms.; 50 spools, resistance 200-200 ohms.—all to specification (tenders close May 26).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 16

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending March 16, 1936, with the official bank rate. Quotations for the week ending March 9, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 9	Nominal Quotations in Montreal Week ending March 16	Official Bank Rate
Austria	Schilling	.1407	\$.1886	\$.1888	3½
Belgium	Belga	.1001	.1701	.1699	2
Bulgaria	Lev	.0072	.0130	.0130	6
Czechoslovakia	Krone	.0296	.0419	.0418	3
Denmark	Krone	.2680	.2222	.2220	3½
Finland	Markka	.0252	.0219	.0220	4
France	Franc	.0392	.0664	.0664	3½
Germany	Reichsmark	.2382	.4044	.4048	4
Great Britain	Pound	4.8666	4.9800	4.9750	2
Greece	Drachma	.0130	.0095	.0095	7
Holland	Guilder	.4020	.6825	.6848	2½
Hungary	Pengo	.1749	.2963	.2961	4
Italy	Lira	.0526	.0800	.0800	5
Jugo-Slavia	Dinar	.0176	.0232	.0232	5
Norway	Krone	.2680	.2500	.2500	3½
Portugal	Escudo	.0442	.0451	.0451	5
Roumania	Leu	.0060	.0076	.0077	4½
Spain	Peseta	.1930	.1375	.1376	5
Sweden	Krona	.2680	.2565	.2564	2½
Switzerland	Franc	.1930	.3291	.3287	2½
United States	Dollar	1.0000	1.0003	1.0000	1½
Poland	Zloty	.1122	.1901	.1898	5
Argentina	Peso (Paper)	.4245	.3316	.3316	—
Brazil	Milreis (Paper)	.1196	.0824	.0858	—
Chile	Peso	.1217	.0510	.0510	4½
Colombia	Peso	.9733	.5741	.5715	4
Mexico	Peso	.4985	.2778	.2777	4-5
Peru	Sol	.2800	.2486	.2418	6
Venezuela	Bolivar	.1930	.2601	.2575	—
Uruguay	Peso	1.0342	.7980	.8006	—
China (Shanghai)	Dollar	.....	.2987	.2984	—
Cuba	Peso	1.0000	.9995	.9990	—
Hongkong	Dollar	.....	.3256	.3258	—
India	Rupee	.3650	.3751	.3752	3
Japan	Yen	.4985	.2911	.2900	3.65
Java	Guilder	.4020	.6872	.6880	4
Siam	Baht (Tical)	.4424	.4561	.4559	—
Straits Settlements	Dollar	.5678	.5823	.5825	—
South Africa	Pound	4.8666	4.9750	4.9687	—
British Guiana	Dollar	1.0138	1.0375	1.0343	—
Jamaica	Pound	4.8666	4.9925	4.9850	—
Other British West Indies	Dollar	1.0138	1.0375	1.0343	—
Martinique	Franc	.0392	.0664	.0664	—
Guadeloupe	Franc	.0392	.0664	.0664	—
Australia	Pound	4.8666	3.9850	3.9800	—
Egypt	Pound (100 Piastres)	4.9431	5.1000	5.1000	—
New Zealand	Pound	4.8666	4.0175	4.0125	—
Argentina	Free	Free	.2478	.2755	—
Brazil	Free	Free	.0560	.0575	—
Chile	Free	Free	.0410	.0410	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Sterling and franc exchanges were unsteady during the second week of March, shaken by the tense political situation in Europe. The German reichsmark also declined moderately. The United States dollar moved temporarily to a slight premium at Montreal, but was again quoted at par on March 14. It was anticipated in New York that further gold would be received from Paris failing recovery in the franc.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
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New Westminster, B.C.

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Oshawa, Ont.

Belleville, Ont.
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Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

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Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Victoria, B.C.
Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Lard.....	155	Malang, Java.....	Purchase and Agency.
Animal and Vegetable Shortening.	156	Lima, Peru.....	Purchase and Agency.
Miscellaneous—			
Upper Leather.....	157	Havana, Cuba.....	Agency.
Single-furrow Ploughs.....	158	South Africa and Southern Rhodesia	Purchase and Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Halifax

To Liverpool.—Duchess of Bedford, March 29; Montclare, April 4; Duchess of York, April 11; Montcalm, April 18—all Canadian Pacific; Nova Scotia, March 28; Newfoundland, April 14—both Furness Line; Manchester Hero, April 3; Manchester Exporter, April 13—both Manchester Line.

To London.—Beaverhill, March 27; Beaverville, April 3; Beaverburn, April 10—all Canadian Pacific; Aurania, March 28; Ausonia, April 4; Alaunia, April 11—all Cunard; White Star Line; Waukegan, March 28; Capulin, April 10; McKeesport, April 24—all American Hampton Roads (call at Dundee).

To Manchester.—Manchester Brigade, March 28; Manchester Hero, April 3; Manchester Producer, April 11; Manchester Commerce, April 18—all Manchester Line.

To Aberdeen, Newcastle and Hull.—Gitano, April 10; Kelso, April 29—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Boston City, March 24; New York City, April 4; Bristol City, April 22—all Bristol City and Dominion Lines.

To Newcastle and Leith.—Cairnesk, March 23; Cairnglen, April 11—both Cairn-Thomson Line (call at Dundee).

To Avonmouth, Cardiff and Swansea.—Norwegian, Cunard-Donaldson and Dominion Lines, April 13.

To Glasgow.—Sulairia, March 30; Norwegian, April 13; Airthria, April 20—all Donaldson-Atlantic Line.

To Antwerp.—Westernland (calls at Southampton), Red Star Line, March 23.

To Hamburg.—Beaverhill, Canadian Pacific, March 27; Waukegan, March 28; Capulin, April 10; McKeesport, April 24—all American Hampton Roads (call at Hull and Leith).

To Copenhagen, Gothenburg and Baltic Ports.—Drottningholm (does not call at Copenhagen), Swedish-America Line, March 23; Korsholm, March 30; Svaneholm, April 21—both Swedish-America-Mexico Line.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., March 23 and April 6; Magnhild, G. T. Shaw, March 23 and April 6; Incemore (does not call at St. Pierre), Furness Line, March 28; Fort Amherst, Furness-Red Cross Line, March 30 and April 13; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., April 1 and 15.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, March 26; Lady Nelson, April 9; Lady Hawkins, April 23—all Canadian National.

To Bermuda, St. Kitts, Nevis, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 30 and April 15.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, April 2; Lady Rodney, April 16—both Canadian National.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B, March 25; Ciss, April 8—both Pickford & Black Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, April 4; Chomedy, April 18—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cavalier, March 26 and April 23; Cathcart, April 9—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Japanese Prince, March 28; Silversandal, April 11; Chinese Prince, April 25—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Constructor, March 27; Canadian Cruiser, April 30—both Canadian National.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Britisher, Canadian National, April 24.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Salawati, Java-New York Line, March 30.

From Saint John

To Liverpool.—Duchess of Bedford, March 28; Montclare, April 3; Duchess of York, April 10; Montcalm, April 17—all Canadian Pacific.

To London.—Beaverhill, March 26; Beaverdale, April 2; Beaverburn, April 9—all Canadian Pacific.

To Manchester.—Manchester Brigade, March 26; Manchester Hero, April 1; Manchester Producer, April 9; Manchester Commerce, April 16—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Donaldson and Dominion Lines, April 11.

To Glasgow.—Sulairia, March 28; Norwegian, April 11; Airthria, April 18—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnglen (calls at Dundee), Cairn-Thomson Line, April 9.

To Dublin and Belfast.—Fanad Head (cargo accepted for Londonderry and Cork), Head Line, March 26.

To South France and Italian Ports.—A steamer, Canada-Mediterranean Line, April.

To Rotterdam, Antwerp and Havre.—Hada County (does not call at Rotterdam), April 11; Brant County (does not call at Antwerp), April 2—both County Line.

To Hamburg.—Beaverhill, Canadian Pacific, March 26.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, April 1; Lady Hawkins, April 15—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, March 24 and April 11.

To Kingston and Jamaican Outports.—A steamer, United Fruit Line, April 2.

To Manila, Hongkong, Shanghai and Dalny.—City of Christchurch, Canada-Far East Line, April 10.

To Cape Town, Port Elizabeth, East London, Durban and Beira.—Calumet (calls at Sierra Leone and Lourenco Marques), Elder-Dempster Line, March 27.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Glasgow, Canada-India Service, March 28.

To Montevideo and Buenos Aires.—Tacoma, Canada-South America Line, March 28.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, April 4; Hikawa Maru, April 18; Hiye Maru, May 2—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), April 4; Empress of Asia (calls Nagasaki), April 18; Empress of Canada (calls Honolulu), May 2—all Canadian Pacific; Tyndareus, April 5; Ixion, May 3—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Kota Agoeng, March 31; Bintang, April 30—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, March 25; Niagara, April 22—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Cloud, Oceanic and Oriental Navigation Co., April 13.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Cape Horn, Canadian-Australasian Line, April 6.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., March.

To London and Cardiff.—A steamer, Reardon Smith Line, April.

To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer), Holland-America Line, April.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Canada, April 10; Amerika, April 27—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., March.

To Scandinavian Ports.—Canada, April 10; Axel Johnson, May 1—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Empire Shipping Co., March 23.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Zurichmoor, Canadian Transport Co., March 30.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverwillow, April 6; Silverfir, April 15—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Brandanger, Empire Shipping Co., April 16.

From New Westminster

To London and Liverpool.—Pacific Exporter, March 26; Pacific President, April 13—both Furness (Pacific) Line Ltd. (call at Glasgow and Manchester); Drehtdyk (calls at Southampton and Rotterdam), Royal Mail Lines, April 10; Steel Trader (calls at Avonmouth), B. W. Greer & Son Ltd., April 17; Devon City (calls at Cardiff), Reardon-Smith Line, April 18.

To United Kingdom Ports.—Geddington Court, Canadian Transport Co., March 25; Caithness, Anglo-Canadian Shipping Co., April 10.

To Japanese Ports.—Meiwo Maru, Yamashita Shipping Co., April 6; Hikawa Maru, B. W. Greer & Son Ltd., April 8.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGESS, *Director*

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J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

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JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

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A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

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Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

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C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

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Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, March 28, 1936

No. 1678



Canada's Sample Stand at British Industries Fair,
Olympia, London. See p. 538.

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, March 28, 1936

No. 1678

WHEAT AND FLOUR SITUATION IN EGYPT

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

(Quantities are in metric tons of 2,205 pounds. One Egyptian £ is equal to £1 0s. 6d. sterling, or \$5 approximately)

Cairo, February 17, 1936.—Exactly six years ago the customs tariff of Egypt was radically altered and a protective regime introduced under which the local cultivation of wheat and milling of flour were specially encouraged. At first the rates were fairly moderate, but it was not long before they were increased, and as a result of successive modifications in an upward direction the duties have become prohibitive.

On February 17, 1930, the ad valorem rates of 8 per cent which had long been in effect on both wheat and wheat flour were replaced by specific duties. On an ad valorem basis the rate on wheat was practically unchanged, but that on flour was practically doubled. The new rates were based on the consideration that although wheat was, six years ago, as it still is, one of Egypt's main crops, local cultivation of this cereal was not sufficient to fill the country's requirements and was neglected in favour of more remunerative crops, particularly cotton. Furthermore, as there were few up-to-date flour mills in Egypt, flour was being imported on an increasing scale instead of wheat, this process being facilitated by the uniform rate of duty which had existed on these two commodities. It was thought that the needs of the situation would be met by maintaining the duty on wheat and doubling it on flour.

PRODUCTION AND IMPORTS OF WHEAT AND FLOUR, 1920-29

Year	Area Sown under Wheat 1,000 Feddans ¹	Wheat Crop M. Tons	Wheat Imports M. Tons	Flour Imports M. Tons	Total Imports on Wheat Basis M. Tons
1920.. . . .	1,147	863,022	98,359	133,123	288,725
1921.. . . .	1,405	1,007,268	42,642	197,595	325,213
1922.. . . .	1,462	997,392	1,299	108,700	156,740
1923.. . . .	1,481	1,106,420	1,576	156,656	225,594
1924.. . . .	1,364	930,387	4,800	162,062	236,540
1925.. . . .	1,329	984,363	53,815	198,575	337,696
1926.. . . .	1,475	1,012,623	12,423	195,624	292,165
1927.. . . .	1,594	1,206,930	38	155,510	222,417
1928.. . . .	1,532	1,015,046	11,297	158,130	237,524
1929.. . . .	1,555	1,230,924	33,120	233,493	367,014
Average .. .	1,434	1,035,437	25,937	169,947	268,961

¹ One feddan equals 1.038 acre.

As the above table shows, during the ten-year period 1920-29 Egypt's wheat crop averaged 1,035,437 metric tons annually, while imports of wheat and flour, the latter being calculated in terms of wheat (taking 1,430 kilograms of Australian wheat per metric ton of flour) averaged 268,961 metric tons or a little over one-fourth of the local production. In 1925 and 1926 the ratio had risen to nearly one-third.

PROTECTION AND ITS EFFECTS

Shortly after the introduction of the specific duties in February, 1930, the rates on wheat and flour were increased to 15 and 30 piastres per 100 kilograms, and they were again raised on December 15, 1930, to 30 piastres and 48 piastres respectively per 100 kilograms (\$0.67 and \$1.07 per 100 pounds) because of the fall in commodity prices due to the world economic crisis.

In February, 1931, the duties on the two commodities were placed on a sliding scale, depending on Australian wheat and flour sterling prices per ton quoted in London c.i.f. Egyptian ports. On April 4, 1932, the rates were increased uniformly throughout the sliding scale by 10 piastres for wheat and 14 piastres for flour, per 100 kilograms. On July 23, 1932, the rates were further increased by 6 and 8 piastres respectively.

On May 1, 1933, the duty on flour was further increased by 35 piastres per 100 kilograms gross (3s. 3½d. per 100 pounds). Australian flour, which was then quoted in London at from £7 to £7 5s. per ton, was thus subject to a duty of piastres 117.5 per 100 kilograms (10s. 11d. per 100 pounds) under the sliding scale. With the additional 1 per cent ad valorem duty which affects all imports, and the quay dues representing 10 per cent of the customs dues, the total import duty on Australian flour was then £11 18s. per ton or approximately 170 per cent.

The accelerated upward trend of the tariff modifications affecting wheat and flour in Egypt in 1931 and 1932 was due not only to the desire to protect the local market against falling prices in the world market in regard to these two commodities, but was also dictated by the Egyptian Government's policy of discouraging the local cultivation of cotton in view of the severe fall in the price of this staple. Having decreed a substantial reduction in the area to be planted under cotton, it became necessary for the Government to encourage the growing of other crops in order to make use of the land thus made available. Wheat was consequently singled out for special attention in the tariff measures, another aim being to cut down the amount of money spent abroad on foreign flour and to keep this money in the country itself.

COTTON AND WHEAT AREAS SOWN

The area sown under cotton in Egypt, which had totalled 2,082,000 feddans in 1930 was reduced to 1,683,000 feddans in 1931 and to 1,093,000 feddans in 1932. During the same period the area sown under wheat rose from 1,466,000 feddans to 1,589,000 and 1,697,000 feddans.

In 1933, the restrictions on cotton-growing being removed, the area sown under this crop jumped from 1,093,000 to 1,804,000 feddans, while the area under wheat showed a reduction from 1,697,000 to 1,374,000 feddans, which compares with an average of 1,560,000 feddans for the period 1927 to 1929.

The following table illustrates the trend of cultivation and of imports of wheat and flour since the protective measures were introduced:—

PRODUCTION AND IMPORTS OF WHEAT AND FLOUR, 1930-35

Year	Area Sown under Wheat 1,000 Feddans	Wheat Crop M. Tons	Wheat Imports M. Tons	Flour Imports M. Tons	Total Imports on Wheat Basis	
					M. Tons	M. Tons
1930	1,466	1,081,922	16,057	195,929	296,235	
1931	1,589	1,253,903	38,151	152,244	255,900	
1932	1,697	1,429,183	37,193	58,430	120,748	
1933	1,374	1,176,300	347	5,247	7,850	
1934	1,389	1,014,511	5,012	3,684	10,280	
1935	1,410	1,087,303	39,397	3,350	44,187	
Average	1,487	1,167,385	22,693	69,831	122,550	

Whereas the average annual wheat crop was 1,035,437 metric tons for the period 1920 to 1929, that for 1930 to 1935 was 1,167,385 tons, with a maximum

of 1,429,183 tons in 1932, which considerably exceeded the country's requirements. As Egyptian wheat cannot readily be exported for several reasons, chiefly because it contains a high proportion of impurities and is on the whole of poor grade, there was a large carry-over from 1932 to 1933, which helped to make up for the deficiency in the latter year.

PURCHASES OF AUSTRALIAN WHEAT

As the 1934 crop was below normal, speculation had the effect of forcing up the price of bread to the extent that the Government decided to take action to protect the consumer. Although the simplest way out of the difficulty was to lower the customs duties so as to allow the situation to straighten itself out by the action of competition, the Government decided to purchase Australian wheat to sell on the local market at a fixed price. These purchases began in September, 1934, and the last arrivals of Australian wheat took place in April, 1935. No purchases have been effected since that date. As regards flour, no increase in imports has resulted because of the prohibitive duty on this commodity.

A study of the situation during 1934 and 1935 brings out the fact that Egypt seems to have been able to get along in spite of the fact that the average supply in terms of wheat for these two years was 220,000 metric tons below the country's normal requirements of about 1,300,000 tons, of which latter figure approximately 120,000 tons are required for seeding. There has apparently been a shortage of at least 17 per cent, which can only have been covered to a small extent by the carry-over from the 1932 and 1931 crops.

WHEAT FLOUR MIXINGS WITH RICE SCREENINGS

The present self-sufficiency of the country appears to be accounted for by the practice of mixing flour obtained from rice screenings with the flour milled from wheat, and in this connection it may be noted that a mixture of the two with as high a ratio as 40 per cent rice has been reported. If an average of 10 or 12 per cent is taken as representing the situation in the flour industry as a whole, it is fair to assume that the use by the millers of rice, which is cheaper than wheat, together with a reduced consumption of crushed wheat or wheat flour, which the poorer classes have replaced to some extent by cheaper cereals and vegetables as a result of lower wages, would explain present conditions. In this connection it may also be remarked that the capacity of the local flour mills is said to considerably exceed the demand. This is true particularly as regards the modern mills, which were erected to supply the demand for flour required by the bakers for producing the European type of loaf.

The Government has been examining the possibility of adopting legislation to restrict the use of rice by wheat millers, but it is understood that it has been impossible to come to an agreement in respect to the percentage to be allowed.

EGYPTIAN WHEAT

Egypt does not produce the hard varieties of wheat, neither does it produce the wheats which are strong as regards gluten content. In order to obtain a good flour for baking purposes, the flour milled from Egyptian wheat requires to be mixed with imported flour so that fermentation may be such as to enable the dough to rise properly.

VARIETIES

There are quite a number of varieties of Egyptian wheat; the most important are the *hindi* and the *baladi*.

The *hindi* is superior to the *baladi* for milling purposes, and its density averages 780, in some cases reaching as high as 810. It gives flour containing 5 to 7 per cent of gluten of fair quality.

The *baladi* possesses the advantage of giving a higher yield, but its density averages only 750 and rarely exceeds 770. It produces a maximum of 75 per cent of flour. As its gluten content rarely reaches 5 per cent and is usually more commonly from 3 to 4 per cent, bakers must mix *baladi* flour with that obtained from *hindi* wheat or with imported flour to raise the gluten content.

FLOUR IMPORTS

The following table shows the quantity and value of imports of wheat flour into Egypt during the years 1930 to 1935, by countries from which consigned:—

Consigned from	1930		1931		1932		1933		1934		1935	
	M. Tons	£E	M. Tons	£E	M. Tons	£E	M. Tons	£E	M. Tons	£E	M. Tons	£E
United Kingdom.	1,100	12,200	164	2,237	310	3,884	166	2,193	148	1,928	129	1,737
British India	1,852	21,900	863	6,237	238	1,951	.....	.....	.....	.....	.....	.....
Australia	95,223	1,087,000	100,049	741,453	43,091	355,398	205	1,557	203	1,417	229	1,843
Canada	3,774	44,500	557	4,987	266	2,515	207	1,907	107	1,105	76	822
United States.	17,264	221,500	14,452	148,285	9,127	102,405	4,644	50,550	3,559	35,717	2,773	28,473
France	49,929	474,000	26,817	174,427	2,097	19,273	10	79	.....	.....	.....	.....
Italy	21,000	187,800	5,163	38,824	946	8,587	.....	1	.....	.....	.....	.....
Other	5,218	52,200	4,179	34,713	2,355	19,176	15	119	24	225	16	154
Total.	195,360	2,101,000	152,244	1,151,166	58,430	513,189	5,247	56,406	4,041	40,392	3,223	33,029

As will be seen from a glance at the above figures, the country which has suffered most from the prohibitive duties on flour is Australia, imports from which decreased from a value of \$5,400,000 in 1930 to only about \$7,500 annually since 1933. Imports from Canada, which during the fiscal year ended March, 1929, were valued at \$1,924,729, dropped to \$317,967 in the year 1929-30, to \$150,089 in 1930-31, and to \$28,848 in 1931-32, according to the export statistics of the Dominion. At the present time imports of Canadian flour are only about \$4,000 annually.

In view of the desirability of maintaining employment in the milling industry, it is most likely that foreign flour will continue to be heavily taxed, while the tariff may be lowered in order to let in foreign hard wheats in the event of any shortage occurring in the local wheat crop resulting from damage by insects or from unfavourable weather conditions, or even if its cultivation is given up in favour of more profitable crops.

WHEAT IMPORTS

The following table shows the quantity and value of the imports of wheat into Egypt by country whence consigned during the years 1931 to 1935:—

Consigned from	1931		1932		1933		1934		1935	
	M. Tons	£E	M. Tons	£E	M. Tons	£E	M. Tons	£E	M. Tons	£E
Australia	31,718	173,101	29,809	201,858	...	...	16,681	113,151	39,358	265,326
United States	153	1,000	.....	.....	347	2,591	159	988	.....	.....
Bulgaria	2,681	17,759	5,860	39,317	.....	.....	.....	.....	.....	.....
Syria	27	179	.....	.....	.....	.....	.....	.....	.....	.....
Other	3,572	23,304	1,524	10,028	...	8	22	250	39	446
Total.	38,151	215,343	37,193	251,203	347	2,599	16,862	114,389	39,397	265,772

PREVAILING PRICES

At the time of writing the local wheat market is dull. The demand for flour appears to have slowed down, and millers have consequently decreased their purchase of wheat, and the price of this cereal is falling. The new crop will be in the market in May. Average-quality local wheat is quoted at piastres 142 to 154 per ardeb of 150 kilograms (\$2.30 per 100 pounds) and best quality *hindi* at piastres 160 per ardeb (\$2.50 per 100 pounds).

There is little change in the price of local flour. Best quality is offered at piastres 107 per bag of 54 okes (\$5.35 per bag of 150 pounds), and average quality

at piastres 147 per bag of 80 okes (\$7.35 per bag of 220 pounds). Flour produced in grindstone mills is quoted at piastres 137 per bag of 80 okes.

This week's quotations for Australian flour are a little lower, London offering March shipments at £8 4s. 10d. per ton, whereas Australian flour held in bond at Port Said is offered at £8 per ton.

American "Gold Medal" brand is quoted at £11 15s., and "Northern King" £12, in bond. Duty-paid American flour is quoted at piastres 155 and piastres 159 per bag of 54 okes respectively (\$7.90 and \$8.10 per bag of 150 pounds).

TOBACCO TRADE OF CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, February 6, 1936.—The consumption of tobacco in the old-style Chinese pipe dates back for centuries, and the tobacco used for this purpose is grown widely throughout the country. The cigarette-smoking habit is of comparatively recent date; the first cigarettes were introduced into this country about 1890, and it was not until several years later that the volume of imports was sufficient to warrant this item being separately classified in the Chinese Maritime Customs returns. Since the turn of the present century, however, the popularity of cigarette smoking has shown a rapid expansion; the estimated consumption of cigarettes in 1933 was 60,000,000,000, and the manufacture of cigarettes is now recognized as one of the leading industries.

The popularity of cigarette smoking will be realized from the fact that up to the end of December, 1934, it is estimated that some 2,000 trade marks for cigarettes and tobacco had been registered with the Bureau of Trade Marks. While most of these registered marks have either lapsed with the passing of time or have been taken off the market for other reasons, there are still a wide number of brands on sale, with keen competition amongst the various manufacturers resulting, as in other countries, in the distribution of prizes and premiums in order to attract customers.

Although the manufacturing of cigarettes in China commenced as early as 1903, for many years this market was mainly supplied by imported cigarettes, with Great Britain obtaining by far the largest share of the trade, followed by the United States. The peak year for imports was reached in 1923, when a total of over 10,000,000,000 cigarettes was imported into China proper, which then included Manchuria. Since the year 1931 the trend of imports has been steadily downward, due to the growth of the domestic industry encouraged by tariff protection, and by 1934 imports of cigarettes into China proper, excluding Manchuria, had fallen to 200,000,000, and in 1935 the total imports only reached the comparatively small volume of 177,000,000.

FIRST PRODUCING COMPANY

The first producer of cigarettes on a commercial scale was the British-American Tobacco Co. Ltd., which was established in China in 1903. For a number of years this firm enjoyed practically a monopoly as far as locally produced cigarettes were concerned, and although the first company operating with Chinese capital started as far back as 1906, the British-American Tobacco Co. Ltd. up to 1925 met with comparatively little competition from other manufacturers in China. Following the anti-foreign agitation in that year, a large number of Chinese companies—the majority with limited financial resources—engaged in the production of cigarettes, and several of these have since developed into large firms.

PRODUCTION

According to a report published by the Chinese Ministry of Industry, it is estimated that in 1934 there were 68 cigarette companies registered with the Internal Revenue Administration throughout the country as operating their own factories. Of the total, nearly three-quarters are established in Shanghai. No recent figures are available giving the total production of cigarettes in China; however, a rough estimate of the output of Shanghai factories may be gained from the figures recorded by the Internal Revenue Administration for tax-paid cigarettes in January, 1935, when it was calculated that over 89,000 cases containing 50,000 cigarettes each were produced by factories in this city. On a yearly basis this would represent roughly 53,000,000,000 cigarettes as the output for Shanghai factories alone for tax-paid cigarettes. This estimate does not allow, of course, for the production of cigarettes on which no tax is paid, to which reference is made later in this report. Further, the above calculation is subject to fluctuation in the monthly output of individual factories. Taking the estimates of the Internal Revenue Administration as a guide, it is calculated that Kiangsu Province, in which Shanghai is located, absorbed 33 per cent of the total output of Shanghai factories in January, 1935, the remainder being shipped to other parts of China, and a relatively small amount was exported to nearby foreign markets.

The British-American Tobacco Co. Ltd. is credited with approximately 34 per cent of the January, 1935, production in Shanghai, followed by Nanyang Brothers, the leading Chinese company, with 13 per cent. The three next in order were Chinese firms, which accounted for 11, 5½, and 4 per cent respectively of the total output.

COMPETITION OF HAND-MADE CIGARETTES

In spite of the rapid expansion which has taken place in the cigarette industry at Shanghai, this trade has been passing through a difficult period in recent years owing to various causes, and particularly on account of the growth of a hand-rolled cigarette industry. The Internal Revenue tax on hand-rolled cigarettes, amounting to \$10 Shanghai currency per 50,000, is only one-eighth of the lowest rate on machine-made cigarettes, and in actual practice it is understood in most cases no tax whatever is paid by the makers of hand-rolled cigarettes, who are widely scattered in villages throughout the country and are difficult to locate. This development commenced several years ago as a result of high internal taxes, and it has now reached the point where it has become a serious menace to machine-made cigarettes, which pay a minimum tax of \$80 Shanghai currency for 50,000 cigarettes. The situation can perhaps be more easily visualized when it is explained that these hand-rolled cigarettes can on the average be purchased at the rate of ten cigarettes for three coppers, which at the current rate of exchange means that the poorer consuming classes in this country can buy 900 cigarettes for the equivalent of 30 cents Canadian. The tobacco used is, of course, a very inferior native-grown type, and the makers have little or no overhead expenses. It was estimated recently by the Cigarette Manufacturers' Association of Shanghai that the consumption of these hand-made cigarettes, upon which no tax is paid, is more than 20,000 cases of 50,000 cigarettes each per month. This would represent approximately 12,000,000,000 cigarettes per annum.

As a result of the serious situation created by the production of hand-rolled cigarettes, a number of the smaller Chinese manufacturers of tax-paid cigarettes have been going into liquidation, and the trade has been tending to come under the control of the larger organizations in a better financial position to fight this competition.

IMPORTS OF LEAF TOBACCO

While tobacco is widely grown throughout China, the cigarette industry is still dependent on imported leaf. The total imports of leaf tobacco of all kinds into China proper for the past three years are given below, along with the chief sources of supply:—

	1933		1934		1935	
	Kilos.	Gold Units	Kilos.	Gold Units	Kilos.	Gold Units
Total	24,385,200	13,351,681	29,507,200	15,757,719	8,058,653	4,372,818
Japan	370,200	48,850	226,300	81,775	686,373	312,681
Netherlands	11,800	12,229	10,400	8,247	4,351	5,586
Netherlands India	13,500	8,820	29,100	15,101	14,077	7,104
Philippine Islands	172,400	73,587	324,100	111,686	338,221	80,376
United States	24,180,100	13,421,629	28,709,700	15,548,741	6,679,055	3,997,876
Kwantung Leased Territory	379,700	139,463	234,200	48,078	179,942	42,125
Other countries	69,500	12,221	50,000	18,952	266,242	44,282

Figures given for 1935 are preliminary and subject to revision. 1 kilogram=2.2 lbs.
Average value of gold unit=U.S.\$0.52 (1933), U.S.\$0.66 (1934), U.S.\$0.68 (1935).

NOTES ON THE IMPORTS

Taking the average for the past two years by volume, the port of Shanghai accounted for 90 per cent of the total imports.

It will be seen that the United States is by far the largest shipper of leaf tobacco to China, and as far as imported cigarette leaf is concerned, controls this market, which having been educated to the Virginian type of cigarette, formerly imported principally from Great Britain, calls for a bright flue-cured Virginian-type leaf.

The relatively small imports credited to Japan are understood to be Korean tobacco, which is favoured for the manufacture of certain types of cigarettes on account of its bright colour. The small quantity credited to the Kwantung Leased Territory is Manchurian tobacco, which is also imported for the use of the cigarette industry; and the balance from the Philippine Islands and other sources consists of tobacco mainly required by the cigar trade, which is referred to later in this report.

NO OUTLET FOR BURLEY

There is no outlet for Burley tobacco as the American-type cigarette has not so far become popular amongst the masses of the Chinese, and the relatively limited demand for such cigarettes among the foreign population and the small section of Chinese returned from North America is taken care of by imported cigarettes. The same general remarks apply to pipe tobacco, as there is only a small consumption of this type smoked by foreigners, which is catered to by imported brands. As far as Chinese pipe smokers are concerned, they use native tobacco, which is altogether different and much cheaper than imported tobaccos.

It will be evident from the above statistics that a drastic decline took place in the importation of American leaf tobacco in 1935 by comparison with the two previous years. According to authorities consulted in the trade, this falling off is due, apart from the reduced purchasing power of Chinese consumers, to three main causes, namely, the higher price of tobacco last year in the United States, increasing competition from Chinese-grown Virginian-type tobacco which has been aided by the inability of American exporters to lower their prices, and the growth of the illicit hand-rolled cigarette industry.

DOMESTIC PRODUCTION OF FLUE-CURED

The local production of cigarette tobaccos was given an impetus many years ago by the British-American Tobacco Co. Ltd., which firm encouraged the grow-

ing of tobacco in this country from seed imported from the United States, and also assisted in developing regular grading, the installation of up-to-date drying plants, etc. The example set by this company has since been followed by various Chinese interests, with the result that there is now an organized industry turning out a substantial supply of flue-cured tobacco. The principal producing centres are the provinces of Shantung in North China and Honan and Anhwei in Central China. It is calculated that Shantung last year produced in the neighbourhood of 80,000,000 pounds of flue-cured tobacco, Honan 50,000,000 pounds, and Anhwei around 20,000,000 pounds.

The quality of the Virginia tobacco produced in China is, on the whole, satisfactory, but as it lacks the distinctive Virginia flavour it is usually blended with leaf imported from the United States. It is understood, however, that for the cheaper brands of cigarettes locally grown tobacco is being used to an increasing extent, and it is evident from the decline in imports plus the reasons already mentioned that Chinese-grown tobacco has now become a definite factor in supplying the needs of this market, and there would appear to be good reason to expect that the local product will take a growing share of the business as the Chinese consumer becomes more and more accustomed to smoking cigarettes made from tobacco grown in the country.

EXPERIMENTAL SHIPMENT OF CANADIAN FLUE-CURED

Last year an experimental shipment of Canadian flue-cured tobacco was imported into Shanghai by a firm experienced in the American tobacco trade in an effort to test out the possibilities for Canadian leaf in this market. It is understood that the general opinion expressed by the manufacturers was that the colour of the Canadian leaf included in this shipment was inferior to American, and while no criticism was made as to quality, the local trade classified this Canadian leaf as similar to the Chinese-grown Virginia type of tobacco which was available at much lower prices. In the circumstances, as the manufacturers in Shanghai could see no inducement to buy the Canadian leaf, little headway was made, but it is understood that further attempts are contemplated by the same firm of importers in the hope of eventually creating an interest in Canadian leaf if it can be offered at sufficiently competitive prices.

A similar effort made in recent years to introduce Rhodesian tobacco to this market, when a representative of that country brought a sample shipment into Shanghai, ended in failure as it was claimed that it lacked the flavour of American tobacco and was also too expensive by comparison with native tobaccos.

EXPORTS

Besides being an important consumer of imported tobaccos, China also exports leaf tobacco on a very considerable scale. Figures showing total exports for the past three years are given as follows: 1933, 9,482,200 kilos (2,596,431 gold units); 1934, 14,855,200 kilos (3,694,781); 1935, 13,569,500 kilos (3,746,022 gold units).

Over half the exports of tobacco from China proper in recent years have been going to the Kwantung Leased Territory for the use of cigarette factories in Dairen and Manchuria. The remainder is distributed to a number of different countries, including Egypt and Germany, where it is understood that relatively cheap Chinese tobaccos are blended with Egyptian and Turkish varieties.

CIGAR TRADE

While the consumption of cigars, as might be expected, is very limited in comparison with the cigarette trade, there is nevertheless a considerable quantity of cigars brought into this country, as shown by the following table:—

	1933		1934		1935	
	Quantity	Gold Units	Quantity	Gold Units	Quantity	Gold Units
Total	5,415,650	276,344	6,493,300	236,113	16,597,300	247,057
Philippine Isl'ds. . .	4,398,400	194,640	5,022,050	175,175	7,396,750	172,957
Hongkong	80,950	2,643	212,400	4,665	3,072,300	17,655
Germany	148,950	6,538	220,150	6,922	211,850	7,254
Other countries . . .	796,000	73,737	1,040,950	49,542	5,929,500	49,449

(Figures given for 1935 are subject to revision.)

It will be observed that the Philippine Islands constitute the main source of supply as regards imported cigars. Shanghai accounted for 96 per cent of the total imports last year, and although there are no definite figures available to show the proportion of the domestic production absorbed by this city, it is estimated that Shanghai consumes over half the total output of cigars manufactured in China.

DOMESTIC PRODUCTION

The domestic industry is understood to have commenced around 1902, and during the World War quite a "boom" took place in local cigar production, with the result that a number of factories were established, which subsequently disappeared in later years when imports were resumed on a normal scale as the quality of cigars made in this country was considered inferior to the imported article.

During the period from 1929 to 1931, however, the low silver prices and consequent fall in the exchange value of Chinese dollars encouraged the purchase of locally made cigars by Chinese consumers. There are no reliable statistics available covering local production, but it is calculated that some sixteen cigar factories were operating on a commercial scale up to two years ago with an annual output of approximately 40,000,000 cigars. The majority of these manufacturers operate on very limited capital, employing anywhere from half a dozen to thirty employees in each establishment, and these mainly consist of women.

COMPETITION OF CHEAP CIGAR IMPORTATIONS

The position of the local cigar industry has changed again during the last three years, and, as borne out by the above statistics, imports have once more shown an expansion. One reason given for the increase in the importation of cigars is the alteration made in the classification of this product for duty purposes in May, 1933. Prior to that date the classification of cigars was confined to two grades, but in 1933 this was widened into five grades, the lowest of which provided for the importation of very cheap cigars on a 50-per-cent ad valorem basis as against considerably higher specific duties for the four superior grades enumerated. The result of this alteration in the customs tariff was to encourage the importation of cheap cigars to compete against the domestic industry.

CHIEF SOURCES OF SUPPLY OF FILLER LEAF

The chief source of supply of filler leaf for the manufacture of cigars is the Philippine Islands, although various other countries, including Cuba, Brazil, and Java, have exported to this market. Holland is one of the chief shippers of wrapping leaf to China, and small quantities of certain types of wrapping leaf also come from the United States.

Reference to the annual trade returns of the Dominion Bureau of Statistics reveals that under the heading "all other tobacco not otherwise provided" Canada has been shipping during the fiscal years ending March 31 from 1931 to 1935 a small quantity of cheap tobacco to China. The volume of this business over the five years mentioned has averaged around 228,551 pounds per annum, and the value works out to approximately Canadian \$35,310 per annum. Inquiries made locally indicate that this is a very low-grade tobacco which has been used to some extent in the domestic cigar trade, and it is understood that it

has also been employed as an ingredient for the manufacture of insecticide. Recent information available suggests, however, that this small business is on a declining basis, due in part no doubt to the position of the local cigar trade referred to above, and in any event there would appear to be no prospects of any appreciable volume being developed in this type of tobacco in the future.

IMPORTING FIRMS IN SHANGHAI

Apart from the British-American Tobacco Co. Ltd., which has its own buying arrangements in the United States, there are at present about twelve Shanghai firms engaged in the importation of leaf tobacco, and the activities of these firms have of course suffered from the serious decline in the purchase of leaf tobacco from the United States during 1935. Although importers are able to place orders abroad on an indent basis with a few of the larger cigarette manufacturers, for the bulk of this trade import houses have to carry stocks for their customers, which involves a very considerable risk in doing business in an article such as leaf tobacco in this market.

IMPORT DUTY

The duty on leaf tobacco valued at over 1.75 gold units per kilogram is 0.23 gold unit per kilogram. Tobacco leaf valued at 1.75 gold units or less per kilogram is dutiable at 0.06 gold unit per kilogram.

AFRICAN FLOUR MARKETS

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, February 20, 1936.—Canadian exports of flour for years have been steadily shrinking, chiefly because the one-time large importing countries have been increasing their own production of wheat, and to protect the producers have placed restrictions upon the imports of flour. There is some question, however, whether sufficient attention has been paid by Canadian millers to the development of sales in the smaller markets of the world.

For example: South Africa at one time was a good market for Canadian flour: in 1930, 51,000 barrels were imported into the Union. This has now dropped to around 2,500 barrels. But if the imports of the Union of South Africa are grouped along with those of the Rhodesias, British East Africa, Mauritius, Portuguese East Africa, Madagascar, and Zanzibar—all small in themselves—total imports amount collectively to approximately 300,000 barrels, of which quantity Canada is credited with less than 5 per cent.

IMPORTS

The following is a summary of the total imports of the above countries converted into short tons and Canadian dollars. All figures are approximate, but are sufficiently accurate for the purpose of drawing the attention of Canadian millers to the possibilities which these countries have to offer in the marketing of flour:—

	1933		1934	
	Short Tons	\$	Short Tons	\$
South Africa	406	17,370	593	28,865
Southern Rhodesia	1,263	59,270	1,063	45,360
Northern Rhodesia	990	108,030	1,016	108,330
British East Africa	4,632	232,290	5,243	251,310
Mauritius	10,407	365,855	*	*
Portuguese East Africa	5,639	225,417	*	*
Company of Mozambique	662	24,852	*	*
Madagascar	3,764	201,828	3,811	194,172
Zanzibar	3,134	140,783	2,208	82,341
	30,897	1,375,695		

*Statistics not available

Australian flour is well known in these markets, and Canadian flour is not, and the Australian flour is cheaper in price than the Canadian product. The first reaction of the Canadian miller naturally is that he cannot hope to compete. These disadvantages, however, existed in the Dutch East Indies, and in addition, Australia had the advantage of better shipping facilities; but by means of a campaign of education designed to impress upon users the superior merits of hard wheat flour, imports into Netherlands India increased from 525 barrels in fiscal year (ended March 31) 1930 to 13,817 barrels in fiscal year 1935.

SOUTH AFRICA

The flour situation in South Africa is already well known to Canadian flour exporters. In brief, importations are only allowed under permit, the object being to encourage consumers to use flour made from domestic wheat. The price of domestic flour to the millers is fixed at 22s. 6d. per bag of 200 pounds. The flour imported is all used for special purposes such as the manufacture of macaroni or for biscuit-making.

Imports for the years 1933 and 1934, with countries of origin, are as follows:—

	1933		1934	
	Lbs.	£	Lbs.	£
United Kingdom	62,158	264	148,043	649
Canada	217,600	1,102	535,890	2,796
Australia	518,600	2,013	485,000	2,202
	812,402	3,473	1,186,749	5,773
	(406 short tons)	(\$17,370)	(593 short tons)	(\$28,865)

Canadian firms are probably obtaining as much of this market as it is possible to secure. The imports of flour from other countries are probably owing to the desire to obtain a particular kind of flour obtainable only from that particular country.

SOUTHERN AND NORTHERN RHODESIA

The total imports into Southern and Northern Rhodesia, according to the following statistics, are approximately 2,253 short tons. It is evident, however, from the countries of origin specified, that there is overlapping, and much of the flour imported from overseas into Southern Rhodesia is re-exported to Northern Rhodesia. In reality therefore the actual market for imported flour is probably about 1,300 tons between the two countries. Canada is known to have shipped considerably more to Northern Rhodesia than the two tons credited in the 1933 statistics.

Imports into Southern Rhodesia

	1933		1934	
	Lbs.	£	Lbs.	£
Australia	1,418,200	4,928	1,277,300	3,560
Canada	954,500	5,335	522,110	2,538
Union of South Africa	148,070	1,535	272,297	2,864
	2,525,493	11,834	2,100,581	9,072
	(1,263 short tons)	(\$59,270)	(1,080 short tons)	(\$45,360)

Imports into Northern Rhodesia

	1932		1933	
	Lbs.	£	Lbs.	£
United Kingdom	12,006	105	1,503	24
Canada	79,150	722	4,200	64
Australia	91,154	847	88,473	715
Southern Rhodesia . .	2,173,851	24,353	1,824,983	20,138
Union of South Africa	215,346	3,190	55,417	617
United States	5,694	63	111	5
	2,587,104	29,377	1,980,573	21,606
	(1,294 short tons)	(\$146,885)	(990 short tons)	(\$108,030)

It should be possible to increase the Dominion's share of this market by at least another 200 tons, especially in Northern Rhodesia. Southern Rhodesia has shown a tendency to follow the lead of South Africa and make it more difficult to import flour, chiefly by means of increased duties.

Increased flour imports into Northern Rhodesia will depend on the extent to which copper production and the gold mining industry continue to thrive. The white population numbers approximately 15,000, and the native population 1,370,000. The latter, however, as is the case with native populations in some other parts of the world, are developing a taste for wheat-meal or flour.

BRITISH EAST AFRICA

Under the above heading, for the purpose of this report, has been included Kenya, Uganda, Tanganyika, Nyasaland, and Zanzibar, although only the first three are usually grouped in East Africa.

KENYA AND UGANDA

These two territories are situated in the northeast corner of the African continent, with Mombasa as the port of entry for both.

The climate varies greatly from the hot, humid, moist atmosphere of the coast to the comparatively fine climate of the highlands. Nairobi is the capital of Kenya, and the largest town in the two countries. It is situated approximately 320 miles from the coast. Kenya's population is 3,100,000, of which about 17,000 are Europeans.

Uganda has a population of 3,550,000, of which about 2,000 are Europeans.

These two colonies last year imported approximately 1,950 short tons of flour, which was an increase of 500 tons over 1933. India is the chief source of supply. The following table lists the imports for 1933 and 1934, with the proportion supplied by both India and Australia.

	1933		1934	
	Cwts.	£	Cwts.	£
India	24,631	13,411	31,514	14,766
Australia	1,186	523	2,612	1,030
France .. . . .	.....	.....	593	205
	25,948	14,061	34,970	16,205
	(1,453 short tons)	(\$70,305)	(1,958 short tons)	(\$81,025)

TANGANYIKA TERRITORY

This territory was formerly German East Africa. It has a population of about 5,000,000, of which 8,000 are Europeans. Dar-es-Salaam, the chief city, is situated 1,800 miles from Durban, with a European population of 1,650, and 31,000 natives and Asiatics.

Imports of flour into this territory are mainly from Kenya and Uganda. Imports of overseas flour, according to the following statistics, are approximately 500 tons, although it is possible that some of the overseas imports into Kenya and Uganda also find their way into Tanganyika.

	1933		1934	
	Cwts.	£	Cwts.	£
Kenya and Uganda ..	40,774	23,918	43,984	27,221
British India	6,324	3,743	6,257	3,777
British possessions ..	4,913	2,412	4,174	1,912
	52,044	30,118	54,868	33,083
	(2,914 short tons)	(\$150,590)	(3,073 short tons)	(\$165,415)

NYASALAND PROTECTORATE

Imports of flour into Nyasaland are received chiefly through the Portuguese port of Beira. The European population is small. Total imports last

year only amounted to 223 short tons, with Australia the main source of supply. The following are the imports for 1933 and 1934:—

	1933		1934	
	Cwts.	£	Cwts.	£
India	558	306	422	227
Australia	3,830	1,826	3,156	1,251
Canada	45	40	346	247
Other	369	214	56	17
	4,802	2,386	3,980	1,742
	(259 Short Tons)	(\$11,930)	(233 short tons)	(\$8,710)

ZANZIBAR PROTECTORATE

The Zanzibar Protectorate consists really of two islands, Zanzibar and Pemba, situated 22 miles from the East African coast. The population (250,000) is cosmopolitan; there are only 300 Europeans. The island is best known as the world's main source of supply for cloves. The islands are approximately 155 miles from Mombasa and 1,847 miles from Durban. The chief city is Zanzibar, situated on the island of the same name, with a population of about 40,000.

Imports of flour for 1934 amounted to approximately 2,200 tons, which was a decrease from 1933. Australia was the chief source of supply, although last year France contributed a small quantity.

The following are Zanzibar imports for the years 1933 and 1934:—

	1933		1934	
	Cwts.	Rs.	Cwts.	Rs.
India	14,751	1,12,395	9,258	56,367
Australia	41,110	2,62,438	26,070	1,42,383
France	55,959	3,75,422	39,425	2,20,575
	(3,134 short tons)	(\$140,783)	(2,208 short tons)	(\$83,591)

MAURITIUS

The Island of Mauritius is situated in the Indian Ocean, about 1,500 miles east of the city of Durban. It has a population of 400,000, of which 125,000 are Europeans, coloured people, and Chinese, while the balance consists almost entirely of British Indians. The chief town is Port Louis.

Imports of flour into Mauritius in 1933 amounted to approximately 10,400 tons. Australia is practically the only source of supply. Mauritius is one of the countries in which Canadian firms should endeavour to obtain a share of the imports. Attempts have been made to market Canadian flour in Mauritius, but on account of high prices, competition with the Australian product was not possible. It is believed, however, that with the aid of publicity a certain quantity of Canadian flour could be sold. At one time flour imports were confined to two firms who, as representatives of two large Australian exporters respectively, had practically a monopoly of the trade. Furthermore, certain ships carrying cargo from Australia to South Africa also had this trade to themselves. Of recent years another shipping company operating a regular service from Australia to South Africa, with transshipment in Java, has been able to offer serious competition. At the present time there are many firms handling flour in Mauritius. Without the help of publicity, however, it will be extremely difficult to make any headway with Canadian flour, in the face of the many disadvantages.

Under the heading of "Shipping," the best method of reaching Mauritius from Canada is dealt with.

	1933	
	Kilos	Rs. c.i.f. Value
United Kingdom	26	8
Australia	9,335,394	958,655
India	125,538	16,875
China	301	75
	9,461,259	975,613
	(10,407 short tons)	(\$365,855)

MADAGASCAR

Madagascar's imports of flour (the only foreign country dealt with in this report, as this island belongs to France) amounted last year to 3,811 short tons. Canada obtained a small proportion of this, but the bulk of the imports were divided between Australia and France as the following table illustrates:—

	1934	
	Kilos	Francs
Australia	1,690,781	1,023,000
France	1,584,129	1,768,000
Canada	141,065	109,000
Mauritius	28,154	25,000
Reunion	14,742	14,000
	3,464,309	2,942,000
	(3,811 short tons)	(\$194,172)

Tamatave is the main port, and Antananarivo the chief city and distributing centre. Rice is the main food; natives buy bread, however, when they can afford it. The falling off of imports of flour has been due to the depression, but as times improve the demand for flour will increase.

The amount of wheat grown is not important, and the island will continue to depend on flour imports. Packing of flour is usually in 50- and 80-kilo sacks, net.

It is believed that there would be no difficulty in introducing Canadian flour to the market if prices were competitive, especially if publicity was used to help sales.

PORTUGUESE EAST AFRICA

Situated on the East Coast of Africa, just above the Union of South Africa, Portuguese East Africa has two very important port cities, Lourenco Marques and Beira. The former, situated at the southern end of the territory, is a very important port of entry for merchandise consigned to Johannesburg. Beira, situated at the northern end, is the recognized port for Northern and Southern Rhodesia and also Nyasaland.

The country consists of two sections, one administered by the Company of Mocambique and the other Portuguese East Africa proper. The following table lists imports with countries of origin:—

	1933	
	Portuguese East Africa Kilos	Company of Mocambique Kilos
United States	24,727	271,683
Great Britain	17,861	722
Australia	4,494,648	164,747
Canada	532,239	96,944
India	6,888	23,981
Union of South Africa	21,727	21,502
	5,126,268	601,555
	(5,639 short tons)	(662 short tons)

The most important market is undoubtedly Lourenco Marques, where most of the shipments from Canada are landed. Portuguese East Africa is the only country of all these small markets under discussion in which 10 per cent of the total imports is obtained from Canada. This has been accomplished without any special effort on the part of Canadian exporters, and although importers are of the opinion that this is the maximum to be expected at the present prices, nevertheless it would seem that if a strong effort was made the trade could be doubled.

CUSTOMS DUTIES

The duty on flour imported into South Africa is 5s. 4d. per 100 pounds to Canada and the United Kingdom, and 5s. 8d. per 100 pounds to all other countries. (Actually the Customs Amendment Act No. 44 of 1931 makes the landed cost of flour not less than 18s. 6d. per 100 pounds.) The duty, however, has little bearing on imports at the present time because, as already pointed out,

imports are only allowed under permits. In Southern Rhodesia the duty is 4s. 6d. per 100 pounds from Canada, Australia, South Africa, and India, and 5s. per 100 pounds from foreign countries. Northern Rhodesia provides the same duties and preferences, except in that portion of the territory situated in the Congo Basin.

Kenya, Uganda, and Tanganyika impose a duty of 3s. per 100 pounds, plus a suspended duty of 3s. per 100 pounds, with no preference. Nyasaland duties are 13 per cent, and Zanzibar 15 per cent. There are no preferences. Mauritius imposes a duty of rupee 0.94 per 100 kilos (approximately 16 cents per 100 pounds), with no preference. While Portuguese East Africa imposes a duty of 0.07 escudo per kilo (about 15 cents per 100 pounds), Madagascar imposes the same duties as France—that is, 80 francs per 100 kilos if transhipped (for instance, at Durban), but if shipped direct from Canada, 40 francs per 100 kilos.

SHIPPING

It is important to find the best method of shipping to these small markets, in order that a high freight rate may not have to be added to an already high price.

Shipping to Union ports is best done from Eastern Canada via Montreal, and from Western Canada via Vancouver. Shipments to Portuguese East Africa, Rhodesia, and Nyasaland would be to either the port of Lourenco Marques or Beira, to which there are also direct services from Montreal and Vancouver.

Shipping to Kenya, Uganda, Tanganyika, and Zanzibar is more difficult. Transshipment is necessary, no matter how the flour may be routed. Transshipping at Union ports to an on-carrying steamer would cost up to \$2.50 per ton, for transshipment charges alone. It might be preferable to transship at a United Kingdom port or even at Hamburg to well-known shipping lines which call at these ports on their way down the East Coast of Africa, having come out through the Suez Canal.

Shipments to Madagascar would have to be made by transshipment at some port in France, in order to obtain preferential tariff treatment. To Mauritius, shipment would best be made out of Vancouver, where the Canadian Pacific Steamships are in a position to quote a through rate, with transshipment at Hongkong. An alternative would be via Vancouver, with transshipment at Java, but the former method is to be preferred.

PRACTICAL MEANS OF EXPLOITING THE MARKETS

With the conclusion of this report there still remains the most difficult part, that of suggesting some practical means of exploiting these markets for Canadian flour.

In the first place, a personal visit is necessary to each of the countries, or at least to the more promising of these markets, such as Mauritius. Cape Town is situated thousands of miles away from many of the markets under discussion. It would be difficult to sell to importers even by means of personal contact, but it is almost impossible to do so by correspondence. A first visit is necessary, not only to sell to local importers, but to convince them that a consumer demand can be created for Canadian flour. To create this demand education and publicity are necessary. Lists of bakers, confectioners, and all possible users of flour are required. Suitable pamphlets would then have to be mailed to the names on these lists; such pamphlets or leaflets would continue to be sent out before the arrival of each order for (say) six or seven shipments.

While Mauritius seems to offer the best market to begin with, much will depend on the freight rate. If the ships carrying flour from Australia to Mauritius at the present time are quoting a freight rate which the Canadian Pacific Steamships, in conjunction with the K.P.M. Line from Hongkong, are not able to meet, and it becomes necessary to add a higher freight rate to an already

high price, further action need not be taken. Canadian milling companies are urged to make the necessary inquiries.

With respect to Portuguese East Africa, lists of bakers are now being compiled and publicity started on behalf of Canadian flour.

With regard to the territories in the North, action will again depend on a visit to these territories, to select the proper type of importer with whom to work, and compile the necessary lists of users of flour.

It is suggested that the Canadian Millers' Association might, at this time of shrinking markets, seriously consider sending a representative to many of these small countries, and also the larger markets in the East, with the object of actively utilizing publicity and of educating the users to the special merits of Canadian hard wheat flour.

SOUTH AFRICAN MARKET FOR BLANKETS

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, February 19, 1936.—There is a large market for blankets in South Africa, but the sale of the imported article is rapidly diminishing on account of the improvement in quality, and increased production, of local manufactures.

The local industry was established primarily to cater for the principal outlet, the native trade, which it now controls. The quality of the locally manufactured product has steadily improved, and opportunities for blankets as manufactured in Canada, and other foreign countries, except in low-grade lines, are growing less annually.

IMPORTS

The imports of blankets as such cannot be definitely arrived at from the official statistics, because they are included under two headings, namely, "blankets, rugs and Kaffir sheets of cotton or cotton and wool, containing 75 per cent or more of cotton," and "blankets, other, including blanketing and Kaffir sheeting." However, the extent of the imports of the above can be obtained from the following tables of imports from principal sources of supply:—

(A) Those Containing Cotton or Cotton and Wool—

Country	1934	1933	1932
Total	£ 63,126	£ 89,296	£ 64,330
Italy	46,800	73,327	40,197
United States	6,616	5,691	6,767
United Kingdom	4,336	5,022	10,402
Japan	3,659	2,467	1,919
Belgium	508	778	1,477
Canada	342	90	.....

(B) Other, including Blanketing and Kaffir Sheeting—

Country	1934	1933	1932
Total	£210,477	£165,117	£117,532
United Kingdom	134,904	105,113	80,877
Italy	46,107	28,441	12,441
Germany	17,096	18,141	20,133
Japan	6,808	10,730	94
United States	3,354	856	13
France	570	348	2,084
Canada . . . . .	.....	.....	4

The principal sizes in demand are (in inches) 50 by 70, 60 by 80, and 72 by 90.

COMPETITION AND PRICE SITUATION

Competition in blankets is very keen, and to date Canadian offerings have not been competitive in price. Some foreign manufacturers are quoting as low as 40 cents per pound c.i.f. for an all-wool high-quality blanket. Local prices

are between 3s. 6d. and 4s. 6d. per pound for woollen blankets of good quality, while cotton blankets of local manufacture are quoted to the trade at from 1s. 6d. to 1s. 9d. per pound.

One type of blanket which is in demand is one of 25 per cent cotton and 75 per cent wool, and in this Canadian firms might be able to compete. Another is a crib blanket containing cotton with a satin hem. There is always a limited demand for quality blankets, but sales are so small that it is difficult to interest an agent in them because the remuneration is small in comparison to the amount of work necessary to obtain a few orders. Agents work on a $7\frac{1}{2}$ per cent commission on this line.

The buying season for blankets in South Africa is October and November, consequently samples must be in the agent's hands by August at the latest, but preferably earlier, for delivery in March. Should any Canadian manufacturer desire to compete in this market, he should forward swatches to the office of the Canadian Trade Commissioner in Cape Town, together with lowest c.i.f. prices, these to include the $7\frac{1}{2}$ per cent commission for the agent, and catalogues, if available.

IMPORT DUTY

For duty purposes blankets are divided into three classes under tariff Item No. 61.

- (A) Containing 75 per cent of cotton, and weighing more than 12 oz., 1s. per pound, 2s. 6d. per blanket, or 25 per cent ad valorem, whichever is the greater.
- (B) Woollen blankets, or wool and cotton, containing less than 75 per cent cotton, 1s. 3d. per pound, 3s. 6d. per blanket, or 25 per cent ad valorem, whichever is the greater.
- (C) Other: 1s. 6d. per pound, 4s. per blanket, or 25 per cent ad valorem, whichever is the greater.

There are no tariff preferences.

ECONOMIC SURVEY OF SOUTHERN RHODESIA, 1935

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, February 26, 1936.—Although it has not received the world-wide publicity that has been given to South Africa's recovery from the depression, Southern Rhodesia made almost equally impressive progress towards prosperity during 1935, and, as in the case of South Africa, the improvement may be attributed to increased activity and expansion in the gold mining industry as a result of the gold premium. The increase in mining activity was not, however, confined to gold. The production of base minerals rose considerably during the year, and the asbestos and chrome mining industries in particular showed definite signs of a permanent revival.

The marked prosperity of the mining industry was accompanied by a corresponding revival in other industries, a general improvement in trade, a steady increase in railway earnings, and Government revenues in excess of estimates. Agriculture alone lagged somewhat behind.

GOVERNMENT FINANCES

Aggregate Treasury receipts for the nine months ended December 31, 1935, amounted to £2,202,558. Should receipts continue to come in at the same rate for the remainder of the fiscal year, as there is every reason to expect, the total receipts for the year will amount to approximately £2,937,000 as compared with an estimated revenue for the year of £2,634,000. The increase in receipts is being recorded under every principal head of revenue.

On the other hand, actual expenditure is being kept very close to estimated expenditure, the estimate for the full year being £2,702,000 and the actual expen-

diture for the nine-month period being £1,965,456. It is anticipated therefore that there will be a surplus of between £150,000 and £200,000 at the close of the financial year instead of an estimated deficit of £68,000.

MINING

The production of all minerals for the year ending December 31, 1935, totalled £6,255,590 in value, the highest figure on record and more than £500,000 above the figure for 1934. The past year was the third year in succession in which the value of minerals produced constituted a record for the colony. Of the total value of mineral production, gold alone accounted for £5,089,962, of which just over £2,000,000 represented the gold premium.

Detailed figures for the year are not yet available, but the production (in long tons) and value of the principal minerals for the nine months ending September 30, 1935, compared with the same period of 1934 were as follows:—

	Production			Value		
	1934 Tons	1935 Tons	Inc. or Dec. Per Cent	1934	1935	Inc. or Dec. Per Cent
Asbestos	25,239	30,582	+21.2	£315,615	£460,205	+45.8
Chrome	54,967	91,211	+65.9	164,856	114,038	-30.8
Coal (raised)	506,692	588,435	+16.1	225,237	258,444	+14.7

The number of persons employed on the mines at the end of September, 1935, the latest month for which figures are available, as compared with September, 1934, were as follows:—

Europeans			Natives			Total		
1934	1935	Increase Per Cent	1934	1935	Increase Per Cent	1934	1935	Increase Per Cent
2,690	2,977	10.7	67,565	80,123	18.6	70,255	83,100	18.3

AGRICULTURE

South Rhodesia's climate allows agriculture to have two productive seasons, the winter and the summer season. The principal crop during the former is wheat, and it is estimated that a record area of 19,716 acres was planted to wheat in 1935 as compared with 16,401 acres in 1934. An average yield of 2.3 bags (200 pounds) per acre was expected, and it was estimated that a record crop of 44,777 bags would be harvested as compared with 28,594 in 1934.

On the other hand, although the total area under summer crops during 1934-35—428,525 acres (398,037 in 1933-34)—constituted a record, excessive rains at the commencement of the season and a subsequent long dry spell materially reduced the yield of the two principal crops, maize and tobacco, as compared with the previous season.

The area under maize amounted to 266,426 acres (246,371 in 1933-34), but the production amounted to only 1,269,185 bags (200 pounds) as compared with 1,728,065 bags in 1933-34. The yield per acre, 4.76 bags, was the lowest during the last six years with the exception of the 1932-33 season, when it stood at 4.66 bags.

The total area under all types of tobacco was 41,006 acres (39,507 acres Virginia varieties and 1,499 acres Turkish). In the case of the latter there was a slight increase over the previous season, but the area planted to Virginia tobacco was less than in 1933-34. The total production of Virginia amounted to 20,472,648 pounds (518 pounds per acre) compared with 26,097,888 pounds (631 pounds per acre) in 1933-34. Of the total output of Virginia, 19,505,820 pounds was flue-cured, 960,528 pounds fire-cured, and 6,300 pounds other Virginia varieties. The production of Turkish tobacco amounted to 733,276 pounds (489 pounds per acre) compared with 694,204 pounds (488 pounds per acre) in the previous season.

RAILWAY REVENUES

Railway earnings for the first eight months of the year amounted to £3,298,000 (£2,626,000 for the same period of 1934), an increase of £672,000 or 25·6 per cent. Gross operating expenditure for the same periods increased slightly, the figures being £1,666,000 and £1,756,000 for 1934 and 1935 respectively. Net operating revenue, therefore, increased substantially from £960,000 to £1,342,000, a gain of £382,000 or 39·8 per cent. The increased revenue was largely due to heavier movements of minerals.

EXTERNAL TRADE

The improvement in the Colony's external trade noted during 1934 continued throughout the first nine months of 1935. The total value of exports (including the gold premium) during that period amounted to £6,786,000 compared with £6,457,000 for the corresponding period of 1934, an increase of £329,000 or 5·1 per cent. Excluding gold, exports of Southern Rhodesia and imported produce for the nine months were valued at £2,916,000 compared with £2,682,000 for the same period in 1934, an increase of £234,000 or 8·7 per cent.

Principal features of the export trade were a marked decline in the exports of slaughter cattle, partly compensated for by increased exports of fresh, frozen, and chilled meats; further recovery in the trade in minerals and base metals, a considerable increase in exports of manufactured tobacco; and some recovery in the re-export trade, which is, however, still only about 50 per cent of the pre-depression volume.

The total value of imports of private merchandise also continued to rise during the first nine months of the year, being £4,646,764 in 1935 compared with £3,751,440 for the same period of 1934, an increase of nearly 25 per cent. Over 50 per cent of the total increase was accounted for by a rise of £481,207 in the imports of metals, metal manufactures, machinery, and vehicles; a large increase (£191,428) was also shown in imports of clothing and textiles.

THE FUTURE

As in the case of South Africa, the continuance of prosperity for Southern Rhodesia as a whole seems to be assured as long as the present gold premium remains. The benefit of the premium is probably more widely spread in Southern Rhodesia than in the Union. In the latter, the industry is practically in the hands of some half dozen huge combines, a development probably beneficial under the circumstances, that has been assisted by the fact that the ore bodies are such that enormous capital is necessary for their exploitation. On the other hand, gold mining in Southern Rhodesia is a small-scale industry. There are hundreds of mines and mining companies, many of which are operated by one or two Europeans assisted by a handful of natives. Anybody with a few hundred pounds can enter the industry with possibilities of success.

An important scheme for complete government control of the marketing of tobacco (one of the most important cash crops of the colony) is to be introduced in the legislature in the coming session, which is expected to increase the producers' revenues from this crop.

Another important development which may come to the fore during the coming year is a movement for the amalgamation of Southern and Northern Rhodesia. At a recently held convention, attended by all the elected representatives to the Northern Rhodesia Assembly and by representatives of all the political parties of Southern Rhodesia, a proposed scheme of amalgamation was unanimously approved. The scheme is to be officially submitted to the Imperial Government by the Southern Rhodesian Government for consideration.

SUMMARY OF THE TRADE OF CANADA: MONTH, ELEVEN MONTHS, AND TWELVE MONTHS ENDING FEBRUARY, 1936
(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of February, 1936				Eleven Months ending February, 1936				Twelve Months ending February, 1936			
	From United Kingdom		From United States		From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for consumption</i>												
Agricultural and Vegetable Products.....	7,093,450	1,187,790	2,447,821	100,778,496	16,562,127	27,418,106	27,418,106	109,175,212	18,080,730	30,816,107		
Animals and Animal Products.....	2,240,997	294,812	1,302,440	21,488,591	3,364,046	9,730,210	9,730,210	23,566,941	3,684,437	10,781,513		
Fibres, Textiles and Textile Products.....	8,195,471	3,815,082	2,791,174	80,211,676	36,388,754	28,811,201	28,811,201	88,757,832	30,772,597	31,772,597		
Wood, Wood Products and Paper.....	1,058,770	218,918	1,617,454	20,948,430	3,256,893	15,921,314	15,921,314	23,009,128	3,517,537	17,555,741		
Iron and its Products.....	8,683,688	831,579	7,599,984	102,558,576	19,377,180	78,200,732	78,200,732	114,184,472	20,498,686	88,443,074		
Non-Ferrous Metals and their Products.....	2,557,433	248,985	1,900,538	30,702,675	5,349,231	21,120,932	21,120,932	33,813,086	5,714,155	23,579,571		
Non-Metallic Minerals and their Products.....	6,323,397	318,386	5,602,007	97,580,418	12,382,934	71,457,366	71,457,366	104,229,488	12,895,887	77,431,582		
Chemicals and Allied Products.....	2,946,365	336,959	1,238,628	27,321,920	5,755,333	15,817,065	15,817,065	29,803,283	6,245,987	17,431,582		
Miscellaneous Commodities.....	2,313,427	398,787	1,604,646	28,741,588	5,770,605	18,212,145	18,212,145	31,689,668	6,286,111	20,210,734		
Total Imports, 1936.....	41,597,398	7,871,108	25,974,701	510,037,870	108,177,173	286,689,071	286,689,071	558,229,110	117,259,203	318,021,810		
1935.....	37,043,710	7,310,644	23,497,729	474,240,013	102,600,460	272,307,283	272,307,283	521,759,304	112,505,365	301,371,227		
1934.....	33,591,884	8,081,768	19,633,506	386,279,334	95,195,889	208,123,697	208,123,697	419,242,372	102,305,267	227,640,987		
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	19,658,623	12,124,656	3,257,550	223,018,419	143,461,554	40,923,582	40,923,582	238,613,234	152,739,821	43,886,638		
Animals and Animal Products.....	8,935,090	4,473,763	3,651,059	90,470,525	49,870,095	29,384,920	29,384,920	98,910,645	54,345,603	32,354,808		
Fibres, Textiles and Textile Products.....	849,437	127,811	248,820	9,331,962	2,176,460	2,494,701	2,494,701	10,106,366	2,365,320	2,365,320		
Wood, Wood Products and Paper.....	12,412,347	1,647,071	8,884,738	164,238,054	26,371,356	113,350,612	113,350,612	178,341,619	28,169,658	123,047,322		
Iron and its Products.....	3,460,401	736,408	392,491	46,401,489	9,719,081	4,940,151	4,940,151	52,355,999	11,382,750	41,267,354		
Non-Ferrous Metals and their Products.....	10,544,999	4,895,020	2,922,572	116,592,816	52,851,870	37,713,349	37,713,349	125,465,595	56,028,141	45,486,457		
Non-Metallic Minerals and their Products.....	1,360,205	97,236	998,442	17,491,657	2,077,814	10,474,362	10,474,362	18,679,000	2,179,898	11,349,512		
Chemicals and Allied Products.....	1,267,960	288,811	712,240	14,210,698	2,870,603	6,459,145	6,459,145	16,184,332	3,153,074	7,605,595		
Miscellaneous Commodities.....	982,079	273,674	537,315	11,830,089	2,801,628	6,900,567	6,900,567	13,027,539	3,149,429	7,533,837		
Totals, 1936.....	59,474,141	24,604,456	11,555,227	693,585,709	292,200,461	252,641,389	252,641,389	751,684,329	313,523,694	274,556,900		
1935.....	46,719,461	19,714,108	15,573,792	601,801,374	252,859,504	202,782,412	202,782,412	659,439,095	275,705,080	222,980,915		
1934.....	37,842,403	13,478,081	14,393,444	521,705,424	204,755,885	174,244,636	174,244,636	558,283,258	218,921,693	184,622,404		
<i>Exports (Foreign Produce)</i>												
Totals, 1936.....	724,057	57,317	630,231	12,305,182	801,873	10,865,081	10,865,081	13,232,984	838,126	11,685,085		
1935.....	957,957	43,046	879,737	6,731,161	787,133	5,364,138	5,364,138	7,457,288	894,806	5,910,661		
1934.....	522,170	60,640	396,892	5,585,197	593,027	4,361,315	4,361,315	6,167,411	662,138	4,816,380		
<i>Excess of Imports (i) or All Exports (e)</i>												
Totals, 1936.....	(e) 18,600,800	(e) 16,850,605	(i) 3,789,243	(e) 195,852,921	(e) 184,825,161	(i) 23,182,601	(i) 23,182,601	(e) 206,688,203	(e) 197,102,617	(i) 31,779,825		
1935.....	(e) 10,633,708	(e) 12,446,510	(i) 7,044,200	(e) 134,292,522	(e) 151,046,177	(i) 64,160,638	(i) 64,160,638	(e) 145,137,079	(e) 164,094,471	(i) 72,479,651		
1934.....	(e) 4,772,689	(e) 5,456,953	(i) 4,848,170	(e) 141,011,287	(e) 110,153,063	(i) 30,517,736	(i) 30,517,736	(e) 145,209,297	(e) 117,273,504	(i) 38,202,203		

COD AND HALIBUT LIVER AND OIL INDUSTRY IN THE UNITED KINGDOM

C. H. WEST, ASSISTANT TRADE COMMISSIONER

London, March 6, 1936.—The trade in fish liver oils, principally cod liver, has been long established. Two of the oldest and best known fishing grounds for cod are the coastal waters of Norway and Newfoundland, and as far back as the middle of the 17th century considerable quantities of so-called "trayne oyle," or cod liver oil, were landed at West of England ports by boats from Newfoundland. There are records, also, of exports of fish liver oils from Norway during the 15th and 16th centuries.

At the early date mentioned the oil was unrefined and was probably used entirely for technical purposes. Later it became recognized as possessing a certain therapeutic value, and it was also used as a food by several Arctic races. Shortly after the commencement of this century investigators discovered the vitamin content of fish liver oils, and during the last ten to fifteen years the utilization of these oils in medicine has increased to a very large extent. Their industrial uses have also been retained, so that the trade in the commodity in question continues to be of considerable importance.

COD LIVER

The cod is a cold water fish which appears annually in enormous shoals off the coasts of northern seas. As mentioned previously, Norway and Newfoundland are the oldest fishing areas, but also of importance are the coasts of Scotland, Iceland, Japan, Siberia, and the east and west coasts of North America. The fish make their appearance at a regular time each year, and in Norway the fishing season extends from the beginning of January until possibly the end of April. In Newfoundland, on the other hand, the season is later, and fishing does not commence till June or July.

At one time the greater part of the Norwegian cod liver oil was derived from fish caught off the Lofoten Islands, and which had come inshore early in the season to spawn. These fish were locally known as "skrei," and oil extracted from them was world famous because of its pale yellow colour, which was a desirable feature in the drug trade. In contrast, oils prepared in Newfoundland, as also many of those from Scotland and Iceland, have a decided yellow tinge, which has tended to make them unpopular with manufacturers and pharmacists, although it has since been shown that these oils have a high vitamin value.

METHOD OF MANUFACTURE

Until about 1850 cod liver oil had been produced by exposing the livers to the atmosphere and letting them rot. The liver of the cod is very rich in oil, which is retained in cellular sacs, and the action of decay destroyed the cell walls, which are quite thin, and so permitted the oil to escape. The resultant product was brown, dirty, and decidedly disagreeable, both as to taste and smell.

About the middle of the last century the so-called "steaming" process was introduced, and, with subsequent improvements, this is the method still used. To-day, in order to preserve the vitamin value, it is realized that the livers should be treated as soon as possible after they are extracted from the fish, and every effort is directed to this end. In the Lofoten Islands, collecting stations are located at various points, where the livers are steamed, and in Newfoundland medicinal oil is prepared from the livers of cod caught inshore, so that the livers are treated an hour or two afterwards. In Scotland a different process is adopted, the livers being rendered on board the trawlers and the crude oil brought to home ports for final processing.

The livers are washed, and those found to be unsound or to have been exposed to the air for too long are removed. The selected product is placed in a vat or pan, where it is subjected to steam cooking. The heat breaks down the cell structure, and the oil which is exuded is separated and is allowed to stand for approximately 36 hours, so that any residue settles to the bottom. This is known as "raw medicinal oil" and is used in some countries as congealing oil. The British Pharmacopoeia prescribes non-congealing oil, however, and to obtain this the raw oil is chilled below freezing point; this causes the stearin content to separate and it is filtered off. The stearin is sold to the trade for the manufacture of soap, oleomargarine, etc., and the bright medicinal oil is stored in air-tight tanks and subsequently shipped in standard 25-gallon tin-lined barrels.

GRADES OF OIL

Several qualities of cod liver oil are recognized in commercial circles. First grade medicinal oil is produced in the manner above described and is pale or light yellow in colour, with only a slightly fishy taste. At one time it was the aim of manufacturers to make the oil entirely colourless, and artificial bleaching was adopted, but in recent years it has been discovered that this may lower the vitamin value.

After the medicinal oil has been extracted the liver mass, or "foots" as it is called, is again steamed, and a secondary yield of oil, known as "foot oil" is obtained. In bulk this amounts to from 40 to 50 per cent of the oil originally recovered, depending on the type of livers used. It is darker than the medicinal product but has the same, or even slightly higher vitamin value. It is used largely in poultry and cattle foods.

Following this the liver mass is placed in a hydraulic press. A small quantity of oil is thereby obtained, which is known as "ruby" or "press oil." It is darker than foot oil and is employed for technical purposes, such as leather tanning.

Another type, known to the trade as "cod oil," is secured by steaming the livers (often mixed with other offal) that are unfit for medicinal purposes. The main use of this oil is in the tanning industry, although small quantities are also sold for cattle feeding, generally in the form of proprietary preparations.

Oil produced by the old process of permitting the livers to putrefy is still marketed to a certain extent, but it is not of sufficient importance to be considered here.

VITAMIN VALUE

The therapeutic value of cod liver oil has been known for centuries. Due to lack of scientific knowledge there was a great deal of speculation as to the origin of this property, and about a hundred years ago the theory was advanced that it was attributable to traces of iodine in the oil. This conception persisted until the present century, when scientific investigation led to the discovery of vitamins, two of which, known as A and D respectively, are present in cod liver oil. Vitamin A promotes growth, and vitamin D is concerned with bone formation.

The vitamin content of cod liver oil is to-day regarded in trade circles as of primary importance, and no transaction for medicinal oil would be considered except on this basis. The British Pharmacopoeia has not yet established a standard of vitamin value, but a good average quality medicinal oil as at present on the market contains about 650 international units of vitamin A and from 85 to 90 international units of vitamin D. Various scientific methods of determining the vitamin content are in use, but all these are subject to varying degrees of error.

TRADE IN COD LIVER OIL

Norway has long been the principal source of supply for cod liver oil. Official figures are not available, but it has been estimated that the normal annual requirements of the United Kingdom are about 500,000 gallons, and some authorities have placed it at a higher figure. In addition, this country enjoyed a considerable business in the repacking of the oil for export to India and the East generally. In 1932 imports from Norway were greatly curtailed by the imposition under the Ottawa Agreements of a duty of 1s. 4d. per gallon on all cod liver oil of foreign origin. This is partially illustrated in the following table of imports for the three successive years mentioned:—

	1933	1932	1931
Norway	£36,032	£106,402	£121,922
Germany	9,967	20,307	14,318
Iceland	1,504	962	444
Other foreign countries	3,011	4,070	4,398
Newfoundland and Coast of Labrador . .	15,717	4,017	5,557
Other British countries	1,580	618	183
Total	£67,811	£136,376	£146,822

It will be noted that subsequent to 1932 Newfoundland has benefited at the expense of foreign suppliers, and further, there has been a marked decrease in total imports. The above table does not present an entirely accurate picture however, as the figures are for a sub-classification under the general heading of "Fish (and Marine Animal) Oils, Fats and Greases, Unrefined," and prior to 1932 included refined oils of the same description. The last-mentioned are now placed under "Refined Animal (including Fish) Oils and Fats, Other Sorts," and the classification is too broad to afford any indication of imports of refined cod liver oil exclusively. Assuming though that the figures for Norway relate almost entirely to this commodity, imports from that source for 1933 amounted to £30,735 compared with £94,829 in 1932. Thus, total imports from Norway of cod liver oil, both refined and unrefined, had a value of approximately £66,767 in 1933 as against £201,231 in the previous year, a decline of approximately two-thirds.

The pronounced falling off noted is not entirely due to the imposition of tariff barriers, and a domestic cod liver oil industry is being established which is tending to entirely supplant imported supplies. The centres of manufacture are Aberdeen and Hull, and at the latter place producers have recently completed what is claimed to be the world's largest and most modern cod liver oil refinery. Like other industries in Hull, it is a co-operative enterprise, owned by the trawler interests. It was built and equipped at a cost of over £90,000, and there is now being added to it, at a further cost of £5,000, an up-to-date biological laboratory.

At Aberdeen the refinery is operated by a large British drug house which also has plants in Norway and produces sufficient for its own requirements. One or two other firms are in the same position with regard to interests in foreign refineries, and this naturally will continue to result in a certain importation of foreign oil. These imports will likely consist largely, if not exclusively, of refined oil, in view of the incidence of the import duty, which is on a gallonage basis.

A considerable portion of the trade in cod liver oil remains in the hands of agents who sell to manufacturers without private sources of supply and to wholesalers. These agents receive orders for acceptance by their principals, although the former also carry small stocks which enable them to meet immediate demands of, say, three or four barrels. A guarantee of vitamin value is always given by the vendor.

PRICES

The market price of cod liver oil depends upon the yield of this product, which varies from year to year and is not known until after the commencement

of each fishing season. The usual range for Norwegian oil is between 80s. and 100s. per barrel of 25 gallons c.i.f. United Kingdom ports, without payment of duty, and the present price on this basis is from 85s. to 90s. Following are the domestic prices per gallon of cod liver oil as published by a leading concern. It should be explained that Grade "A" has a guaranteed vitamin content of not less than 1,000 international units of A and 100 of D, and Grade "B" is guaranteed to contain 700 international units of A and 70 of B.

	To Retail Trade		To Merchants	
	Grade "A"	Grade "B"	Grade "A"	Grade "B"
	s. d.	s. d.	s. d.	s. d.
1 gal. tins (6 to the case)	4 5	4 3	4 0	3 10
5 gal. tins	3 11	3 9	3 6	3 4
10 gal tins	3 7	3 5	3 3	3 1
20 gal. steel drums	3 6	3 4	3 2	3 0
25 gal. steel drums	3 6	3 4	3 2	3 0
40 gal. steel drums	3 4	3 2	3 0	2 10
45 gal. steel drums	3 4	3 2	3 0	2 10
40 gal. barrels	3 5	3 3	3 1	2 11

Drums and barrels free; taps 1s. extra; terms of sale, net cash 14 days; prices cover delivery to nearest station.

HALIBUT LIVER OIL

Halibut liver oil for medicinal purposes has been employed to a considerably increased extent in the last three or four years. This followed the discovery that halibut liver was a great deal richer than cod liver oil in vitamin A, and in fact one drop of the former is stated to be the equivalent of a teaspoonful of some qualities of cod liver oil in its vitamin A content. One United Kingdom firm of manufacturers in particular pioneered in the use of halibut liver oil as a therapeutic agent and to-day are generally recognized as outstanding in this field, but other well-known manufacturing chemists have also entered into the production of this article.

The larger producers import their individual requirements of halibut livers and render the oil in their own plants. As in the case of cod liver oil, however, a certain percentage of the trade in halibut liver oil is handled by agents. These obtain their supplies from foreign sources, principally Norway, Japan, and Denmark, and sell to smaller firms in the United Kingdom.

FISHING METHODS

Like the cod, the halibut is a cold water fish and is not found in southern waters. The principal halibut fishing grounds are off the coasts of Norway, the west coast of Greenland, the Hebrides, and in the waters of Alaska and the Pacific coast of Canada; Japan also possesses coastal areas where these fish are caught. The season varies with the different fields concerned, but in the North Atlantic waters it extends roughly from May to October.

Two methods are commonly used for taking halibut on a commercial scale. In one of these, the line method, the fish are caught on baited lines extending from a steamer and the cargo is stored in ice on the vessel until it returns to its home port, which usually is at intervals of about three weeks.

Under the other system, which is carried out on a much more extensive scale, the fishing is conducted by a fleet of boats commonly called an "expedition." At present only one fleet of this nature operates out of a British port, and there are two owned by Norwegian interests. The expedition consists of a large parent vessel, with refrigeration equipment capable of storing the fish after they are caught, and some forty dories each manned by three men. The dories are transported on board the steamer until the fishing grounds are reached and do the actual fishing; in addition two or three trawlers sometimes accompany the parent vessel to act as scouts in locating the halibut. The expedition remains at sea throughout the season, and when it returns the large vessel has in its storage space a cargo of possibly 1,500 tons of fish.

In the case of both systems of halibut fishing the livers are removed as soon as the fish are caught. They are then washed with fresh water and stored away to freeze, being kept in this condition until they are ready to be treated.

EXTRACTION PROCESS

Halibut livers are different from cod livers in that the cells of the former are smaller and have thicker walls. Consequently the steaming process previously described would not satisfactorily remove all the oil from halibut livers, and they have to be treated differently. Each manufacturer has his own method of extracting the oil, and the individual formulae are kept a secret. It may be said, however, that halibut livers never yield more than 25 per cent of their weight in oil, the average being about 15 per cent. On the other hand, livers with the lowest content usually have the richest oil from a vitamin standpoint. Payment for the livers is usually not made until after the old yield has been determined.

VITAMIN VALUE

The vitamin value of halibut liver oil is as important as in the case of cod liver oil, and commercial values are dependent upon this factor. The British Pharmacopoeia has not yet fixed a standard for this product, but the two leading branded lines at present on the United Kingdom market have a vitamin A content of over 50,000 international units per gram, and a vitamin D content of about 2,500 international units.

PRICES

As previously mentioned, the market value of halibut livers depends on their oil yield and the richness of the oil. In general it ranges from 1s. to 3s. per pound, landed at the extraction plant.

Halibut liver oil is valued at from £15 to £25 per imperial gallon United Kingdom ports, without payment of duty, according to the vitamin content. It is imported in various forms of air-tight containers, including 2-gallon tins and 5-gallon tin-lined barrels.

No statistics are available of imports of either halibut livers or oil. The livers, however, are obtained largely from Iceland and Norway, and the Pacific and Alaskan waters are also prolific sources of supply. Refrigerator boats are required for the shipment of this cargo and the livers must be kept at a temperature of at least zero degree Fahrenheit.

MARKET PROSPECTS

By the very nature of the immediate treatment necessary in order to preserve the vitamin content, the importation of cod livers into the United Kingdom is out of the question. There have been increased imports of cod liver oil from Newfoundland since the duty was imposed on foreign shipments, but total imports have steadily declined in the face of domestic production. British producers are now in a position to supply the entire United Kingdom market, and there is little hope that imported cod liver oil can compete with them in price. Any continuing imports, as explained previously, will likely be influenced by the interests of British firms in foreign refineries, or possibly on the ground that the foreign oil is desired for its special properties.

Canadian producers are already exporting appreciable quantities of halibut livers to this market, and they should continue to hold this trade. Sales at present are largely through organized channels, and imports are confined practically entirely to two large British drug houses. By reason of the existing marketing arrangements there does not appear to be much prospect for expansion; and, furthermore, the smaller consumers have not the facilities for treating the livers and consequently prefer to purchase their supplies in the rendered form.

As pointed out, a minor percentage of the trade in halibut liver oil is handled by agents, and supplies are arriving from all the halibut fishing areas. Interested Canadian firms are invited to communicate with the Canadian Trade Commissioner in London.

ANGLO-HUNGARIAN PAYMENTS AGREEMENT

The Canadian Trade Commissioner in London writes that an agreement has been concluded between the United Kingdom and Hungarian Governments under which machinery will be established making provision for the allotment by the Hungarian National Bank of sterling credits to be used for paying for United Kingdom exports to Hungary. The amount of sterling made available for this purpose will partly depend upon the value of Hungarian exports to the United Kingdom.

BRITISH INDUSTRIES FAIR, 1936

C. H. WEST, ASSISTANT TRADE COMMISSIONER

London, March 10, 1936.—The British Industries Fair, organized by the Department of Overseas Trade, was held this year between the dates February 17 to 28 inclusive. Most of the exhibits were on display at Olympia, while furniture and textiles were exhibited at White City, and the heavy industries at Castle Bromwich, near Birmingham.

This year the organizers reverted to the policy last followed in 1934 of holding the sections of the fair simultaneously in London and Birmingham. In 1935 the heavy industries fair did not open until over two months following the London exhibition. The effect of the return to the former practice, as might be expected, was a decrease in the number of home buyers who visited London.

Official figures have now been issued, and the total attendance at the fair was 308,406, of whom 143,783 visited Castle Bromwich and 164,623 Olympia and the White City. The number of overseas buyers who visited the London sections was 13,925, and of home buyers 117,277, compared with 11,713 and 135,320 respectively last year. The overseas buyers were from practically every country in the world.

The unsettled conditions in Europe influenced the diversion of considerable orders to firms represented at the fair. Scientific instruments and toys, formerly purchased in large volume in Germany, were sold to buyers in other Continental countries, and Canadian firms secured large orders for macaroni and canned tomatoes by reason of the difficulty of obtaining these products from Italy.

CANADIAN SECTION

The official exhibits of fifteen Empire countries were grouped in a special Empire Section at Olympia. Canada occupied a prominent stand in this group, and in addition a large area immediately adjoining, and the whole forming a special section uniform in design, had been arranged by the Exhibition Commission for the accommodation of Canadian exhibitors. The participation in this manner by the Dominion was on a much more extensive scale than any of the other Empire countries, and the Canadian section, which was distinctive in colour and design, immediately attracted the attention of visitors.

Approximately forty Canadian firms were represented at Olympia, and the Canadian National Exhibition and the Toronto Industrial Commission jointly occupied space. In addition stands were taken by two United Kingdom representatives of Canadian newspapers and publishing houses. Four of the Canadian firms had window displays only, but in other instances representatives were actively on hand at their individual stands to receive trade inquiries, and, assisted by demonstrators, they also gave visitors the opportunity to taste their products, and samples were offered for sale at a few pence each.

In a special Government section a complete range of the foodstuffs handled by the individual exhibitors were grouped in a composite display, and here also demonstrators sold samples. In all sixty-six different lines of goods were exhibited in this section, and during the course of the fair the official demonstrators disposed of a total of 15,891 samples.

The Trade Commissioner or Assistant Trade Commissioner was present in the Canadian section at all times to deal with any inquiries that arose, and altogether 114 requests for information were received. In some cases it was possible to dispose of these summarily, and in other instances it necessitated referring the matter to the Trade Commissioner within whose territory the inquirer resided.

ADVERTISING

Several of the Government departments in London co-operated in advertising the Canadian representation at the fair, and considerable publicity was thus secured, both on behalf of the official exhibit and of the private firms who participated. The Chief Canadian Trade Commissioner spoke from London in a special radio broadcast to Canada and Newfoundland in the course of which he mentioned the incident of a buyer from British Columbia being introduced to a product from Eastern Canada, from which business subsequently resulted.

Perhaps the most striking feature of Canadian participation in the fair was a poster some 500 feet long which dominated the approach to Olympia and attracted much public attention. Prior to the fair the Exhibition Commission issued 35,000 catalogues of the Canadian section, and 25,000 of these were addressed to a selected list of firms throughout the British Isles, who were thought likely to be interested. The remainder were distributed at Olympia and Birmingham. Small press announcements reading "Canada Has Something to Show You at the B.I.F." were inserted in the appropriate business and financial pages of leading newspapers and, in addition, sandwichmen with placards displaying the slogan paraded in the immediate vicinity of Olympia.

DISTINGUISHED VISITORS

The King fulfilled his first public engagement since his accession when he visited Olympia and White City several days after the opening of the fair. He was accompanied by the President of the Board of Trade, and they were received at the Canadian section by the High Commissioner and the Chief Trade Commissioner. Among other visitors of note were a delegation from the Federation of Chambers of Commerce of the British Empire, who were conducted over the Canadian section by the Chief Trade Commissioner. The party included Lord Elibank, President of the Federation, and officials of the Department of Overseas Trade.

BUSINESS RESULTS

Canadian firms exhibiting at the fair, in common with all exhibitors, reported substantial increases in orders over last year. Canned tomato products and macaroni sold particularly well. One firm concentrated this year on the demonstration of vacuum-packed coffee which retails in this country in competition with the better grades of loose coffee, and the public were keenly interested. A new type of canned soup which had only been on the market a few weeks was offered by another exhibitor, and an order was secured from one firm in the North of England for 1,000 dozen cases.

Two Canadian manufacturers of dolls were represented, and it is reported that one of these did a business approximating \$500,000. This same firm began to exhibit at the British Industries Fair only three years ago, and each successive

year there has been a substantial increase in business. A large percentage of the orders came from the Continent.

The agent for a Canadian glove manufacturer stated that he could not supply the demand for a particular kind of leather gauntlet and, assuming that the price could be brought in line, he anticipated substantial orders. He also did well with Canadian rubber footwear.

The British Industries Fair of 1936 was, by common consent, outstandingly successful, and the Canadian section participated to the full in the increased business which accrued. Canadian firms interested in participating in the next fair, to be held in 1937, should communicate with the Canadian Government Exhibition Commission, Canadian Building, Blackburn Road, West Hampstead, London, N.W. 6.

GLASGOW FIRM INQUIRES FOR CANADIAN SOURCES OF SUPPLY

Mr. G. B. Johnson, Canadian Trade Commissioner in Glasgow, writes as follows with respect to an inquiry received from a firm in that city:—

“A Glasgow firm who act as buyers and agents and do a general merchant and indent business with South America, Spain, Portugal, Canary Islands, Greece, Portuguese East Africa, Australia, and New Zealand, and who have agents, representatives or connections in most of the main ports of the countries named, are desirous of establishing contact with Canadian suppliers of the following products: agricultural implements and machinery, automobile accessories, boots and shoes, building materials, clothing, electrical equipment, hardware, iron and steel products, kitchenware, leathers, machinery of all kinds, paints and varnishes, rubber manufactures, textiles, timber, tools, wire products, and wood manufactures.”

Interested Canadian firms are requested to communicate with the Department of Trade and Commerce (quoting file No. 28364).

FINANCES OF NORTHERN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 7, 1936.—Unlike those of the Irish Free State, the finances of Northern Ireland are largely controlled by the Imperial Parliament, for it has a common fiscal and financial system with the United Kingdom. Some 90 per cent of Northern Ireland's total taxation is levied by the British Government, and there is paid over each year what is termed, under the Government of Ireland Act, the “residuary share of reserved taxes.” This allocation is on a yield, not a population basis.

The estimates for the coming financial year have been issued this week and show a decrease of over £325,000, and a total expenditure of £9,368,589 for a population of roughly one and a quarter million people. The largest item of expenditure is £2,314,500 for increased payments for unemployment, followed by £2,000,000 for educational services. For what may be termed social services, no less than £6,200,000, or over two-thirds of the total, is required. Grants to local authorities for derating amount to £1,423,000, and police services £742,000, so that considerably less than £1,000,000 is allowed for administration and all other services.

NETHERLANDS COMMODITY MARKETS IN 1935**II**

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one metric ton equals 2,205 pounds; one florin or guilder equals Can.\$0.402 at par and approximately \$0.67 at the current rate of exchange. One cubic metre equals 35.333 cubic feet.)

WOOD AND WOOD PRODUCTS

Rotterdam, February 28, 1936.—There is no European country with a smaller domestic supply of lumber than the Netherlands. Consequently imports are large, particularly if regarded on a per capita basis. Ordinary building wood comes principally from the Baltic countries. There are, however, additional imports of important quantities of hardwood and exotic woods from all parts of the world.

OAK

Oak is by far the principal wood used for the manufacture of furniture in the Netherlands. Imports of oak logs and timbers amounted to 28,668 cubic metres in 1935, which is a slight decrease in comparison with the preceding period. About one-third of this quantity is credited to Belgium, with the balance divided between Germany, Poland, Denmark, and Lithuania.

Imports of sawn oak lumber came to 36,186 cubic metres (fl. 1,518,000). This was slightly less than the quantity handled the year before. The United States supplied 17,751 cubic metres, while Poland was in second place with 10,652 cubic metres.

SPRUCE AND PINE

Imports of ordinary softwood logs, sawn or round, decreased from 196,743 cubic metres in 1934 to 82,621 cubic metres in 1935. Similarly sawn pine and spruce lumber imports contracted from 1,878,920 cubic metres (fl. 33,595,000) to 1,464,128 cubic metres (fl. 20,293,000). The shrinkage in both cases was due to a decline in building and the resultant weakening of the demand. As regards logs and timber, Latvia was the principal source of supply, accounting for about 25 per cent of the total. The Soviet Union was in second place, followed by Czechoslovakia and Poland.

As far as lumber is concerned, the Soviet Union is easily the most important country of origin, accounting for 844,498 cubic metres (fl. 11,374,000), which is more than half of the total. Finland was in second place with only 192,830 cubic metres, followed by Poland and Sweden with 159,572 and 123,433 cubic metres respectively.

DOUGLAS FIR

In the Netherlands trade statistics Douglas fir and pitch pine are grouped together under the heading of American pine. There is now, however, actually very little pitch pine entering the country, so that American pine can be regarded as Douglas fir.

As was the case with ordinary softwoods, there has also been a contraction in Douglas fir imports, logs and timbers having dropped from 23,201 cubic metres (fl. 679,000) in 1934 to 15,440 cubic metres (fl. 467,000) in 1935. As regards the 1935 figure, the United States is credited with practically the whole, or 14,651 cubic metres (fl. 452,000).

Imports of sawn Douglas fir came to 11,799 cubic metres (fl. 378,000) in 1935 against 20,335 cubic metres (fl. 605,000) in 1934. The United States supplied 10,658 cubic metres and the United Kingdom was credited with 785 cubic metres.

OTHER LOGS AND LUMBER

The 1935 imports of birch logs came to 17,832 cubic metres, and birch lumber to 18,458 cubic metres. The volume of teak log imports was 3,160 cubic metres, and of sawn lumber 3,203 cubic metres.

Imports of other wood for the building and furniture trades included 1,306 tons of mahogany, 2,430 tons of cedar, 135 tons of walnut, 26 tons of ebony; 3,515 tons of poplar logs and 104 tons of poplar lumber, 8,199 tons of African gaboon, and 481 tons of elm.

There was a slight increase in the importation of pit props, from 119,629 tons in 1934 to 144,199 tons in 1935. Finland, Belgium, and Russia are the principal sources of supply.

PULPWOOD

There is only one consumer of pulpwood in the Netherlands, who is the sole purchaser of all the imports shown in the statistics.

Imports in 1935 were 38,482 cubic metres (fl. 2,087,000) as against 537,782 cubic metres (fl. 3,169,000) in 1934. Russia is the principal country of origin, having during the year under review supplied 220,756 cubic metres (fl. 1,236,000), followed by Finland with 130,737 cubic metres (fl. 677,000) and Latvia with 32,189 cubic metres (fl. 171,000).

Canadian pulpwood could be marketed in the Netherlands if a quality similar to that coming from Russia could be offered at competitive prices, which would be somewhere between 90s. and 95s. per fathom c.i.f.

POLES AND PILING

Imports under this heading dropped from 71,586 tons in 1934 to 48,971 tons in 1935. This also is due to the inactivity of the building industry, which employs large quantities of logs for piling purposes on which buildings are erected. Belgium supplied 16,978, the Soviet Union 9,242, and Poland 8,391 tons.

RAILROAD TIES

There were 359,657 railway ties (fl. 490,000) imported in 1935 in comparison with 265,928 (fl. 367,000) in 1934. The Soviet Union was the principal country of origin with 192,781 units (fl. 284,000), followed by Poland with 80,070 and Germany with 65,290 units.

COOPERAGE STOCK

Imports of staves and heads for the manufacture of casks and barrels weighed 11,889 tons (fl. 553,000). Germany was responsible for 5,832 tons and the United States for 1,834 tons. Most of the balance was divided between Poland and Denmark.

PLYWOOD

The statistics dealing with imports divide plywood into four categories, each of which is again subdivided depending on the thickness of the material from which it is made.

The first is plywood manufactured from gaboon mahogany, of which in 1935 imports were 652 tons of a thickness under 11 mm., while there were also 148 tons of a thickness above 11 mm.

Plywood made of birch and alder is the most important article as far as quality and value is concerned. The 1935 total of imports of this product less than 11 mm. in thickness weighed 23,973 tons (fl. 2,429,000). The principal countries of origin, together with the quantity supplied by each, were: Soviet Russia, 8,742 tons; Poland, 6,414; Latvia, 4,040; Belgium, 3,831 tons.

In addition to the above, there were 1,784 tons of alder and birch plywood imported which had a thickness in excess of 11 mm.

As regards oak plywood, total imports of the 11-mm. and less size weighed 1,225 tons. There were only 29 tons of the thicker material purchased. Poland and Latvia are the principal purveyors of oak plywood.

Imports of plywood other than those mentioned above weighed 1,789 tons (fl. 254,000). The United States is credited with 1,394 metric tons (fl. 167,000), a large part of which would be Douglas fir. All the foregoing is 11 mm. in thickness. In addition, the United States supplied 569 tons (fl. 64,000) over 11 mm. in thickness. This was out of a total of 637 tons (fl. 74,000).

OTHER WOOD PRODUCTS

In 1934 imports of planks for hardwood flooring amounted to 1,980 tons; in 1935 to 244 tons. Poland is the principal country of origin. Imports of veneer wood weighed 2,163 tons. Non-specified wood products weighed 2,175 tons in comparison with 6,942 tons in 1934. This included limited quantities of meat skewers and wooden spoons from Canada. The importation of new barrels was halved in comparison with 1934; the weight was 372 tons, divided between Germany and Belgium, with the latter country in the lead. On the other hand, there was an increase in the importation of used barrels and casks, from 10,479 tons to 13,036 tons. The United States supplied 4,561 tons and the United Kingdom 4,494 tons.

WOOD-PULP

The importation of mechanical wood-pulp rose from 12,452 tons (fl. 232,000) to 27,013 tons (fl. 381,000) in 1935. Norway supplied 17,738, Sweden 6,485, and Finland 2,757 tons. The importation of sulphite pulp rose slightly in volume in comparison with the preceding year, but declined in value. Imports from Canada fell off. Details of sulphite pulp imports in 1935, with comparative figures for the preceding period, were as follows:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	68,273	4,588	70,207	4,156
Germany	19,446	1,121	21,074	984
Finland	11,391	585	13,703	579
Norway	7,306	619	9,551	766
Sweden	22,178	1,534	17,940	1,109
Canada	6,299	592	5,489	552

Chemical pulp, other than sulphite pulp, is shown separately in the trade statistics, the total imports in 1935 being 17,731 tons (fl. 561,000) in comparison with 10,970 tons (fl. 390,000) in 1934. Sweden was the principal country of origin. In addition, there were 279 tons of strawpulp of chemical origin imported. This was slightly less than half the total under this heading in 1934. Germany supplied about 60 per cent of the total, the balance coming from France.

WOOD FURNITURE

Total imports of wood furniture in 1935 weighed 3,436 tons (fl. 1,424,000) compared with 5,654 tons (fl. 2,480,000) in 1934.

As regards the 1935 figures, Germany is credited with 2,075 tons (fl. 763,000), Belgium 639 tons (fl. 310,000), and Czechoslovakia 329 tons (fl. 159,000).

There are quota restrictions on imports of furniture, which have a depressing effect on imports.

CHEMICAL PRODUCTS

As regards chemical products, the imports of commodities falling under this group are of only minor importance as far as Canada is concerned. In 1935 the value of all chemical imports from the Dominion was only approximately

fl. 16,000. On the other hand, the value of chemical exports from Holland to Canada was much higher.

Chemical products as listed in the statistics include drugs, patent medicines, paints and paint products. Among the articles which are specifically mentioned is toothpaste, imports of which in 1935 weighed 230 metric tons (fl. 394,000). The United States is credited with 96 tons (fl. 200,000), Great Britain with 59 tons (fl. 146,000), and Germany with 64 tons (fl. 26,000). All the better-known brands of British and American toothpastes are obtainable in the Netherlands.

Face cream is also separately shown, total imports in 1935 having amounted to 146 metric tons (fl. 253,000). Here again all the internationally known brands from Germany, the United States, France, and Great Britain make up the total.

The quantity of imports coming under the heading of hair lotions, cosmetics, perfumes, and allied articles fell from 682 tons in 1934 to 415 tons in 1935. The value was halved. The United Kingdom and France are the largest suppliers.

Calcium carbide imports in 1935 reached 9,141 metric tons (fl. 715,000). Switzerland accounted for about half the total or 4,429 tons (fl. 352,000), followed by Poland with 1,461 tons and Spain with 956 tons.

Among chemical products shown as having come from Canada was 1 ton of unexposed motion picture films (fl. 3,000). The total under this heading was 36 tons (fl. 236,000). Germany and the United States are the principal sources of supply of all types of photographic films.

As regards paints, a well-established local industry prevents the importation of any except a few specialized products. There are a few small purchases made in Canada, but the volume and value is insignificant. The United Kingdom and Germany have most of the existing trade.

As far as the exportation of chemical products is concerned, one of the most important items is medicines embodying quinine and similar products. In 1935 the combined value was fl. 6,570,000. These are shipped to all parts of the world.

Exports of non-specified paint products weighed 19,691 tons (fl. 2,740,000). Ready-mixed paints had an export value of fl. 805,000 in 1935 and lacquers (including coloured varnishes) fl. 577,000.

. HIDES, SKINS, LEATHER AND LEATHER PRODUCTS

HIDES AND SKINS

The Netherlands is the seat of a well-established tanning industry, and hence the imports of hides and skins is a trade of some importance.

The first article dealt with in the trade statistics is green-salted exotic hides and skins. Total imports of these weighed 15,171 metric tons (fl. 4,621,000). Belgium was the principal country of origin with 4,255 tons, followed by Argentina with 4,134 tons, Brazil with 1,678 tons, the United States with 1,225 tons, and Uruguay with 1,066 tons. Canada was credited with 79 tons (fl. 31,000).

Dry-salted exotic hides and skins were of less importance; imports were 3,370 tons (fl. 1,306,000). The Union of South Africa was the leading shipper with 976 tons (fl. 287,000), followed by Belgium with 652 tons and Argentina with 332 tons.

Netherlands India was the principal source of supply of Java cow hides, the total volume of which in 1935 was 1,399 metric tons (fl. 1,152,000). Java buffalo hides also almost all came from the same part of the world and weighed 1,761 tons (fl. 858,000). The total value of horsehides in 1935 amounted to fl. 222,000 (949 metric tons). Belgium was the chief source of supply, followed by the United Kingdom and France. Non-specified hides weighed 6,531 tons (fl. 1,926,000). Belgium was credited with nearly half of the total, though France was a close second. Calf-skin imports weighed 7,215 tons (fl. 4,369,000). France

was credited with 2,948 tons (fl. 1,854,000) and Poland with 1,001 tons (fl. 689,000). The balance came from ten European countries.

FURS

As regards furs, the principal demand in the Netherlands is for the cheaper varieties. They are usually imported in the dressed rather than the raw state. The trade statistics list the imports of these under both categories.

The total quantity of raw furs brought in in 1935 amounted to 86 tons (fl. 662,000). Fifty tons (fl. 345,000) were credited to the United Kingdom, 8 tons to both Germany and Belgium, with respective values of fl. 49,000 and fl. 32,000. Canada was credited with only 1 ton (fl. 33,000), while there were additional small quantities from Argentina, Brazil, and the United States.

Dressed furs include those which are already made up into garments. Total imports in 1935 were 172 tons (fl. 1,843,000). Germany was credited with 65 tons (fl. 838,000), Belgium with 43 tons (fl. 191,000), and Hungary with 33 tons (fl. 248,000). There were smaller quantities from the United Kingdom, the Soviet Union, and France. None are shown as having come from Canada.

LEATHER

The greater part of the Netherlands leather market is reserved for the domestic tanners by import restrictions. This domestic industry has a surplus, in particular of sole leather, although it is still necessary to import a certain quantity of upper leather.

Total imports of saddle and harness leather in 1935 weighed 26 tons. Imports of vegetable-tanned sole leather, skins and sides, weighed 86 tons, and exports amounted to 245 tons. Chrome-tanned sole leather imports weighed 5 tons, and exports amounted to 2 tons. Sixty-one tons of sole leather offal were imported, and 410 tons were exported.

Turning to upper leather, imports of chrome-tanned Java and box calf weighed 137 tons (fl. 328,000). Close to 75 per cent of this came from Germany. Imports of other chrome-tanned upper leather weighed 341 tons (fl. 1,755,000) and exports 725 tons (fl. 4,131,000). Germany was the most important supplier. (United States, 81 tons valued at fl. 534,000.)

Non-specified vegetable-tanned upper leather imports weighed only 135 tons, with the United Kingdom the only supplier of consequence. Patent leather imports dropped sharply from 73 tons (fl. 279,000) to 29 tons (fl. 95,000). The United States is credited with 16 tons, Germany with 5 tons, and Belgium with 3 tons. Imports from Canada decreased principally on account of the import restriction to which reference has been made.

Other leather imports include 471 tons of lining leather, most of which was from France, 42 tons of wash leather, 102 tons of belting and technical leather, and 356 tons of other leather, which is not included in any of the aforementioned headings.

FOOTWEAR

As is the case with leather, the Netherlands shoe manufacturing industry is protected by quotas, which limited total imports in 1935 to 456,568 pairs of leather shoes (fl. 1,124,000). There have never been any imports from Canada.

RUBBER FOOTWEAR

Although rubber footwear is made in the Netherlands to only a limited extent, its importation is also subject to quota restrictions. In the trade returns it is listed as footwear made wholly or for the greater part from rubber. Total imports under this heading were 602,994 pairs in comparison with 1,403,711 pairs in 1934. Germany, Belgium, Poland, and Japan are the leading supplying

countries; a contraction in imports from these sources did much to account for the smaller total. The Canadian share of the trade, which is confined entirely to rubber boots, rose from 10,201 pairs to 13,750 pairs.

Particulars regarding rubber boot and footwear importations from all sources during the past two years are subjoined:—

Country of Origin	1934		1935	
	Pairs	Fl. 1,000	Pairs	Fl. 1,000
Total	1,403,711	759	602,994	464
Germany	512,355	288	240,891	149
Belgium	259,285	86	129,034	43
United Kingdom	63,423	44	52,659	59
Czechoslovakia	101,273	77	57,313	63
Norway	2,807	6	7,269	22
Poland	321,973	137	58,822	24
Japan	105,707	64	29,961	41
Canada	10,201	27	13,750	34
United States	4,773	10	7,163	21

OTHER SHOES

Apart from leather and rubber footwear, there is a heading embodying all other types of footwear. The total quantity imported during the period under review was 386,154 pairs (fl. 354,000). Germany was the leading country of origin, followed by Belgium and Czechoslovakia.

OTHER LEATHER PRODUCTS

The total quantity of leather products coming under the heading of trunks, handbags, and similar articles weighed 59 tons (fl. 125,000). Thirteen tons (fl. 22,000) were of British and 35 tons (fl. 83,000) of German origin. Leather belting imports weighed 10 tons (fl. 28,000). Imports of gloves of all types (principally dress gloves) fell from 90,100 dozen pairs (fl. 1,212,000) to 63,646 dozen pairs (fl. 852,000). Of the 1935 quantity, 23,103 dozen pairs (fl. 332,000) were from Czechoslovakia and 21,368 dozen pairs (fl. 206,000) from Italy. Most of the balance was from the United Kingdom, Belgium, Germany, and France. Workmen's gloves and gloves for cycling are being used in the Netherlands to an increasing extent, but the turnover is small in comparison with other types. Canadian manufacturers are securing a portion of the market against competition from Sweden, the United States, and Germany. Price is the principal consideration.

In addition to the aforementioned products, there were 563 tons of non-specified leather products (fl. 1,719,000) brought into the country in 1935. These consisted of a great variety of articles, with Germany the predominant supplier.

TEXTILES AND TEXTILE PRODUCTS

Most textiles and textile products, such as articles of clothing, are subject to import restrictions in the Netherlands, which preclude the development of new business. In any case, Canadian goods are, on the whole, not competitive in price; there never have been any important imports of soft goods from Canada. There is a well-established domestic industry manufacturing cotton and woollen piece-goods, while there are plenty of producers in the United Kingdom and in contiguous and nearby European countries who are able and anxious to supply any deficiencies.

In most dress goods lines price is the ruling consideration; the big demand is for the low-quality European and Japanese articles. The trade statistics divide textile products into a number of fairly detailed headings. The only commodity coming under the general heading of textiles in which Canada participates to any extent is used jute sacks.

USED JUTE SACKS

These are imported into the Netherlands from all parts of the world, reconditioned and used as containers for fertilizers and other products. Imports in 1935 showed a slight increase when compared with the preceding year. The respective figures were 13,915 metric tons and 13,187 metric tons. Imports from Canada increased. Details regarding the principal countries of origin, together with the weight and value of imports from each of these during the past two years, were as follows:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total..	13,187	2,060	13,915	2,141
Germany	426	66	90	14
Belgium	2,493	354	2,825	349
United Kingdom..	5,969	907	6,375	974
France..	348	42	238	29
Norway	89	11	52	5
Sweden..	41	5	38	5
Canada	793	103	1,111	127
Argentina..	1,994	413	2,110	481
United States	423	81	904	134

ARTICLES OF CLOTHING

The market for elastic-knit bathing suits is closed on account of import restrictions. At one time there were fairly substantial imports of these from such countries as the United States. Domestic manufacturers have now, however, taken up the production of these articles and little demand exists for the foreign product.

There have been limited imports of women's hosiery from Canada. In this case also import restrictions were a handicap to trade expansion. Imports of socks and stockings from all sources in 1935 were 1,804,298 dozen pairs (fl. 6,129,000). Germany supplied close to half of the total as regards quantity and more than half as regards value. Italy was in second place with about 25 per cent of the total. Other leading suppliers were the United Kingdom and Czechoslovakia. The United States was credited with 28,050 dozen pairs. There is a limited demand for internationally advertised brands of men's underwear, shirts, and collars which come from the United States and Canada.

Corsets and brassieres are still on the free list. Imports in 1935 totalled 1,954,224 units (fl. 1,998,000). Of this quantity 1,301,780 units (fl. 1,051,000) are credited to Germany, followed by the United Kingdom (286,839) and Belgium; the United States is credited with 121,546 units. Canadian producers could participate in this trade if they could meet price and style competition from the foregoing countries.

Imports of men's hats weighed 308 tons (fl. 1,309,000). Germany was the leading supplier with 135 tons (fl. 523,000), followed by the United Kingdom with 65 tons (fl. 267,000), Italy with 53 tons (fl. 191,000), and Czechoslovakia with 30 tons (fl. 205,000). The United States only supplied 1 ton (fl. 6,000), confined to one well-known and internationally advertised brand.

Imports of over-shirts weighed 40 tons (fl. 124,000). The United States is credited with 3 tons (fl. 10,000). Collars, cuffs, and dickies are listed separately, total imports of which amounted to 156 tons (fl. 471,000). Germany and Czechoslovakia had the bulk of the market, with a small quantity from the United States.

EARTHENWARE, PORCELAIN, AND ARTIFICIAL STONEWARE

One of the major groups in the Netherlands trade statistics is given the above heading. From the Canadian point of view, interest is confined entirely to one special group embodying building board. This includes panels and plates for floor, wall, ceiling, and roof construction, manufactured from gypsum, wood-

wool, sawdust, magnesite, peat, and similar materials. Total imports were 6,325 as against 5,895 metric tons in 1934. Canadian figures also increased from 922 to 1,014 tons.

Competition in building board is principally from the United States and, to a lesser extent, from Scandinavian countries, although one or two British manufacturers are showing more activity. The demand is dependent on conditions in the building industry, which at the present time are quiet. The use of various wallboards as an insulating material is not yet fully appreciated in Holland, and with an increase in purchasing power the sale of these articles has a good future. Particulars of imports during the past two years are subjoined:—

Country of Origin	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Total	5,895	572	6,325	645
Germany	832	66	424	33
Great Britain	245	32	288	34
Finland	652	81	621	72
Sweden	977	117	1,392	162
Austria	459	24	474	28
Canada	922	114	1,014	118
United States	885	110	1,343	164

DECLINE IN NETHERLANDS INCOME TAX RETURNS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One florin equals approximately \$0.67 at current rate of exchange; conversions are made on this basis)

Rotterdam, March 6, 1936.—The Central Bureau of Statistics at The Hague has recently published a review of the returns from income taxation in the Netherlands, together with some details as to the size of individual incomes and the number of taxable persons. The period covered extends from the taxation year 1921-22 to 1934-35, when there was a drop in receipts from fl. 130,093,000 to fl. 48,850,000. Total assessable incomes fell correspondingly from fl. 4,292,000,000 to fl. 3,042,000,000, which is indicative of the decrease in the purchasing power of the country. Although the value of money was greater in the latter than in the former period, the difference is not great enough to compensate for the large contraction in receipts.

Income taxation in the Netherlands begins with a yearly minimum income of fl. 800. On this basis there were in 1921-22 a total of 1,638,456 assessed persons. In 1934-35 the number was 1,445,019 out of a population of approximately 8,400,000.

THREE DISTINCT STAGES

A study of the annual figures during the whole of the interval between these two taxation years indicates three distinct stages. The first of these covered the pre-war depression when there was a continuous decline up to 1924-25, the second the era of rising incomes which terminated in 1930-31, and the third coincides with the present depression and again shows a sharp downward movement. Representative figures were as follows:—

Year	Number of Persons Assessed	Amount of Income Taxed	Amount of Tax Collected in
		Fl. 1,000	Fl. 1,000
1921-22	1,638,456	4,292,000	130,093
1924-25	1,624,580	3,761,000	90,519
1930-31	1,892,553	4,367,000	91,048
1934-35	1,445,019	3,042,000	48,850

A comparison of the year 1934-35 with the twelve-month period ten years before shows that the total of taxable incomes was over 19 per cent or fl. 719,-

000,000 lower than in the year 1924-25. During the ten years from January 1, 1925, to January 1, 1935, the population of the country increased by over 14 per cent. If incomes had increased accordingly, the total amount of taxable income in 1934-35 would have been some fl. 1,273,000,000 greater than was actually the case. Taking into consideration the population increase, the shrinkage in incomes and income tax returns is therefore theoretically greater than the preceding table indicates.

As regards the number of persons assessed for income tax purposes, the figure in 1934-35 was 172 per 1,000 inhabitants in comparison with 238 in 1930-31, 222 in 1924-25, and 235 in 1921-22.

RETURNS FROM DIFFERENT INCOME GROUPS

The majority of income taxpayers in Holland are in the low-salary classifications. The subjoined table shows the different income groups for the years 1930-31 and 1934-35, with the number of taxpayers falling in each. Their relationship in percentage to the total is also indicated:—

Income from Fl.	1930-31 Actual Figures	Per Cent of Number of Persons Assessed	1934-35 Actual Figures	Per Cent of Number of Persons Assessed
800	793,988	41.95	648,490	44.88
1,400	538,246	28.44	394,142	27.28
2,000	302,169	15.97	217,230	15.03
3,000	154,653	8.17	114,019	7.89
5,000	69,488	3.67	50,741	3.51
10,000	22,030	1.17	14,622	1.01
20,000	5,570	0.29	3,105	0.21
30,000	5,496	0.29	2,415	0.17
100,000 and more	913	0.05	255	0.02

From the foregoing it is apparent that it is only in the first and lowest group where there has been an increase in the number of assessable persons. In all the others there has been a decline with the taxpayers in the higher groups dropping to lower ones.

As shown by taxation returns, the average income in the Netherlands is comparatively high for Europe. In the year 1934-35 it was fl. 2,105 (about \$1,400). The comparative figure for 1930-31 was fl. 2,308; for 1924-25, fl. 2,315; and for 1921-22, fl. 2,619.

TRADE OF THE BELGO-LUXEMBURG ECONOMIC UNION IN 1935

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One metric quintal is the equivalent of 220.46 pounds, and one Belgian franc, which prior to devaluation was equal to approximately \$0.047, is now worth about \$0.034.)

Brussels, February 21, 1936.—The Belgian official statistics indicate that in 1935 imports and exports of the Belgo-Luxemburg Economic Union amounted respectively to 306,060,704 metric quintals valued at 17,325,005,000 francs and 202,985,933 quintals estimated at 16,146,213,000 francs; those for 1934 to 317,469,755 quintals assessed at 14,021,997,000 francs and 199,890,418 quintals totalling 13,794,794,000 francs. These figures show a regression of 11,409,051 quintals in the volume of imports and an advance of 3,303,008,000 francs in their value, and a surplus of 3,095,515 quintals in the volume of exports and of 2,351,419,000 francs in their value. They show also that the difference in the volume of imports over exports has decreased from 117,579,337 to 103,174,771 quintals, or by 14,404,566 quintals, while the deficit in the balance of trade has increased from 227,203,000 francs in 1934 to 1,178,792,000 francs in 1935, or by the considerable sum of 951,589,000 francs. This to a large extent was due to higher prices of imports, in terms of paper, after

devaluation. Regarding the Union's exports, it cannot be said that great progress has been shown; favourable prices in terms of foreign currencies were counterbalanced by restrictions in markets abroad.

TRADE BY COMMODITY GROUPS

Appended are tables giving the figures of the Belgo-Luxemburg Economic Union's imports and exports in 1935 and 1934 under the commodity groups adopted by the Brussels Convention (December 31, 1913):—

Imports

	Volume		Value	
	1935 In Metric Quintals	1934	1935 In 1,000 Francs	1934
Living animals.. . . .	134,630	104,948	43,997	39,596
Foodstuffs and beverages	35,073,978	37,986,546	3,449,131	2,901,861
Raw materials and semi-manufactured goods..	264,122,434	272,704,346	8,858,895	6,864,581
Manufactured goods.. . . .	6,729,493	6,673,391	4,655,951	3,896,762
Gold and silver	169	524	317,031	319,197
Total	306,060,704	317,469,755	17,325,005	14,021,997

Exports

	Volume		Value	
	1935 In Metric Quintals	1934	1935 In 1,000 Francs	1934
Living animals.. . . .	79,627	61,029	66,144	49,671
Foodstuffs and beverages	5,597,328	5,537,535	872,565	778,628
Raw materials and semi-manufactured goods..	147,358,203	142,167,350	6,853,956	5,352,100
Manufactured goods.. . . .	49,946,827	52,121,997	8,014,028	7,359,502
Gold and silver	3,948	2,507	339,520	254,893
Total	202,985,933	199,890,418	16,146,213	13,794,794

The volume of imports disclosed therefore decreases in foodstuffs and beverages (2,912,568 quintals), raw materials and semi-manufactured goods (8,581,912 quintals), and gold and silver (355 quintals), and an advance in living animals (29,682 quintals) and manufactured goods (56,102 quintals), the value showing increases in all groups except gold and silver. The volume of exports indicated progress in living animals (18,598 quintals), foodstuffs and beverages (59,793 quintals), raw materials and semi-manufactured goods (5,190,853 quintals), and gold and silver (1,441 quintals), and a falling off in manufactured goods (2,175,170 quintals), the value of exports denoting a general advance.

TRADE BY COUNTRIES

As in previous years, France occupied first place as a source of supply of imports for consumption in Belgium and the Grand Duchy of Luxemburg, followed by Germany, Holland, the United Kingdom, the United States, the Belgian Congo, Argentina, Australia, Russia, British India, Poland, Finland, and Canada. The Dominion occupied thirteenth place in 1935, and twelfth in 1934.

The Union's imports from and exports to the above countries in 1935 and 1934 respectively amounted to:—

	Imports		Exports	
	1935	1934	1935	1934
	Figures in 1,000 Belgian Francs			
France.. . . .	2,715,856	2,339,320	2,966,535	2,410,295
Germany	2,124,356	2,004,236	1,588,119	1,627,880
Holland	1,632,024	1,437,451	1,867,398	1,548,633
United Kingdom	1,376,046	1,097,501	2,405,563	2,002,238
United States	1,324,225	1,003,783	963,999	616,497
Belgian Congo	1,248,141	755,974	161,536	134,110
Argentina.. . . .	1,245,911	948,781	591,819	452,566
Australia	586,935	343,457	57,849	51,642
Russia	555,023	383,537	186,637	116,833
British India.. . . .	435,417	347,233	364,886	279,858
Poland	306,728	243,823	154,996	105,221
Finland	270,142	167,101	104,971	81,924
Canada.. . . .	265,156	240,562	152,405	94,972

In terms of paper, all the above countries increased their sales to the Belgo-Luxemburg Economic Union during 1935, but it would seem that practically in every case the devaluation of the Belgian currency is responsible for these advances, and not larger sales.

TRADE WITH CANADA

IMPORTS FROM CANADA

According to Belgian official statistics, imports from Canada for consumption in Belgium and the Grand Duchy of Luxemburg amounted in 1935 to 3,092,798 quintals valued at 265,156,000 francs, and in 1934 to 4,526,303 quintals assessed at 240,572,000 francs, indicating a decline of 1,433,505 quintals in volume and an advance of 24,584,000 francs in value. The latter figure, however, does not present a true picture of the situation, as it fails to take into account the variations of the Belgian currency. If due consideration is given to the actual value of the Belgian franc before and after devaluation (March 31, 1935), the value of the Dominion's exports, expressed in Canadian currency, amounted to \$9,107,343 in 1935 as compared with \$11,347,736 in 1934, disclosing a decline of \$2,240,393. This conclusion, allowance being made for the rise in prices during 1935, is confirmed by the decrease shown in volume.

The following table gives the figures for 1935 and 1934 in respect to the principal commodities imported from Canada for consumption in the Belgo-Luxemburg Economic Union as they appear in a detailed statement prepared for the Brussels office by the Belgian Ministry of Finance:—

Principal Imports from Canada into Belgium, 1934 and 1935

Commodities	1935		1934	
	Quintals	1,000 Frs.	Quintals	1,000 Frs.
Total	3,092,798	265,156	4,526,303	240,572
Cheese	1,313	980	1,384	724
Honey	7	4	.....	.....
Raw hides	288	226	260	101
Pelts	40	153	.....	.....
Wool in the grease	764	830	554	714
Horsehair, unworked	134	74	180	74
Casings, fresh	13	5	3	1
Oats	726	60	.....	.....
Wheat	2,525,772	214,602	3,994,073	199,172
Rye	39,444	2,646	.....	.....
Maize	29	2	.....	.....
Barley	17,089	1,141	22,127	1,208
Buckwheat	18,477	1,095	8,429	377
Flour	1,195	183	1,455	143
Rolled oats	50	9	.....	.....
Bran	210	11	.....	.....
Apples, fresh	37,493	3,124	66,212	4,618
Apples, dried	129	46	181	58
Seeds	82	52	469	310
Cotton waste	4,857	892	644	58
Flax, tow	17	5	.....	.....
Hops	91	77	78	140
Plants, medicinal	24	25	.....	.....
Earths	49	5	.....	.....
Asbestos	19,442	2,669	16,280	2,045
Copper ore	29	5	.....	.....
Lead ore	121,105	10,172	151,942	7,617
Zinc ore	221,791	8,660	193,468	5,149
Ores, other	3,421	174	763	26
Pastes, alimentary	204	84	.....	.....
Breakfast foods	25	15	20	16
Fish, canned	3,059	1,911	4,617	2,028
Fish, other	1,179	1,014	725	504
Vegetables, canned	43	19	23	6
Whisky	3	25	2	6
Waste from food products	1,480	804	6,511	436

Principal Imports from Canada into Belgium, 1934 and 1935—Concluded

Commodities	1935		1934	
	Quintals	1,000 Frs.	Quintals	1,000 Frs.
Leaf tobacco	33	8	61	14
Chlorides of ammonium	87	5	.....	.....
Corrosive sublimate	1	3	.....	.....
Borax, refined	495	95	.....	.....
Artificial guano	249	29	.....	.....
Tanning extracts of quebracho	1	1	.....	.....
Ochres, calcined and pulverized	155	53	53	13
Mineral black	90	37	153	37
Mineral colours	70	21	.....	.....
Patent leather	10	116	.....	.....
Leather gloves	13	76	17	98
Silk hosiery	9	662	.....	.....
Corsets	1	18	.....	.....
Jute bags	370	74	753	128
Building wood, not sawn	486	7	631	10
Pulpwood	9,413	146	9,726	151
Wood, sawn	212	15	14,064	568
Wooden pegs for shoemaking	6	2	.....	.....
Doors	72	28	65	35
Automobile tires	1,013	1,299	988	1,108
Inner tubes	35	47	53	57
Rubber belting	7	17	5	12
Pipes and tubes of rubber	2	1	.....	.....
Rubber footwear	89	208	94	177
Miscellaneous articles of rubber . . . . .	.....	13	5	15
Wood-pulp for paper making	28,790	3,760	37,901	5,349
Paper and cardboard	1,536	224	2,323	376
Cast iron, crude	1,694	300	507	49
Expanded metal	15	6	13	3
Sheet-iron	43	29	12	5
Forks and rakes (tools)	128	73	99	52
Ice skates	4	17	4	22
Needles for sewing machines . . . . .	.....	13	.....	25
Scrap iron	51	.....	2,665	61
Crude cast copper	1,528	605	2,652	808
Copper waste	1,229	540	.....	.....
Crude nickel	58	162	80	163
Crude zinc	15,240	2,677	17,472	3,063
Crude aluminium	120	136	110	105
Aluminium bars	10	22	84	158
Safety razor blades . . . . .	.....	13	2	31
Typewriters	7	91	.....	4
Binders	1,137	405	251	86
Tedding machines and rakes	20	7	.....	.....
Mowers	105	31	.....	.....
Agricultural machinery, other	322	175	41	23
Motor vehicles	335	597	103	138
Tractors	104	181	.....	.....

As has already been mentioned, the total decrease in the volume of imports from the Dominion amounted to 1,433,505 metric quintals. But the decline in imports of Canadian wheat alone totalled 1,468,303 metric quintals. It follows that the remaining items, taken as a whole, showed an increase of 34,798 metric quintals.

The commodities indicating an increase in volume include the following:—

Honey, raw hides, pelts, wool in the grease, fresh casings, rye, oats, maize, buckwheat, rolled oats, bran, cotton waste, tow flax, hops, medicinal plants, earths, asbestos, copper ore, zinc ore, alimentary pastes, breakfast foods, fresh, frozen, and smoked fish, canned vegetables, whisky, waste from food products, chloride of ammonium, corrosive sublimate, refined borax, artificial guano, tanning extracts of quebracho, ochres, mineral colours, patent leather, silk hosiery, corsets, wooden pegs for shoemaking, doors, automobile tires, rubber belting, pipes and tubes of rubber, crude cast iron, expanded metal, sheet iron, tools, copper waste, crude aluminium, typewriters, agricultural machinery, motor vehicles, and tractors.

The products disclosing a decrease comprise the following:—

Cheese, unworked horsehair, wheat, barley, flour, fresh apples, dried apples, seeds, lead ore, canned fish, leaf tobacco, mineral black, leather gloves, jute bags, lumber, pulpwood, inner tubes, rubber footwear, wood-pulp for papermaking, paper and cardboard, scrap iron, crude cast copper, crude nickel, aluminium bars, and safety razor blades.

EXPORTS TO CANADA

Belgian official statistics place exports of the Belgo-Luxemburg Economic Union to Canada in 1935 and 1934 respectively at 1,266,630 metric quintals estimated at 152,405,000 francs and 454,415 quintals of a value of 94,971,000 francs, an increase of 812,215 quintals and 57,433,000 francs. Expressed in dollars at the rates of exchange prevailing before and after devaluation, the above figures are equivalent to \$5,338,217 (1935) and \$4,479,764 (1934), while the increase is \$858,453. The increase in exports from Belgium and the Grand Duchy of Luxemburg to Canada, which is striking, may be ascribed to increases in several items, particularly steel, glass, and rabbit skins. The devaluation would seem to be largely responsible for this situation, and it is not unreasonable to think that the progress already noticed might be further accentuated.

BALANCE OF TRADE

As is apparent from the following table, the balance of trade was again favourable to the Dominion:—

	Franks	1935 Canadian Currency
Exports to the Union	265,156,000	\$9,107,343
Imports from the Union	152,405,000	5,338,217
	+112,751,000	+ \$3,769,126

Belgian exports to Canada consist almost exclusively of fully manufactured goods, while exports of Canadian goods to Belgium are composed mostly of unmanufactured food products and raw materials. It is obvious that exports of manufactured goods, which benefit a number of industries, leave a much higher margin of profit in the exporting country than the sale of wheat and raw materials. If to this factor are added such invisible returns as profits from Belgian investments in Canada, mercantile marine freights on substantial quantities of Canadian wheat shipped to Belgium on the latter country's steamers, revenues from Canadian transit trade at the port of Antwerp, and the advantages derived by Belgian manufacturers from the working up of Canadian raw materials into manufactured goods, the difference in the balance of trade as reported above is very large.

CANADIAN GOODS IN TRANSIT

Canadian goods in transit reached 610,404 quintals valued at 71,082,000 francs in 1935, as compared with 1,010,380 quintals estimated at 81,370,000 francs in 1934, a regression of 399,976 quintals and 10,288,000 francs. Expressed in Canadian currency at the rates of exchange obtaining before and after devaluation, the value of Canadian goods in transit is \$2,502,472 (1935) and \$3,824,390, the decrease being \$1,321,918. Canada's total exports to the Union, including goods for consumption in Belgium and the Grand Duchy of Luxemburg and those in transit, stood therefore at 3,703,178 quintals assessed at \$11,609,815 in 1935 as against 5,536,683 quintals valued at \$15,172,126 in 1934, a decline of 1,833,505 quintals in volume and of \$3,562,311 in value.

TOTAL TRADE WITH AND WHEAT IMPORTS FROM COUNTRIES OF SUPPLY

Value of Belgo-Luxemburg Economic Union's total exports to and imports from its wheat suppliers, together with value of imports of wheat from each of these, stood in 1935 as follows¹:—

	Total Trade		Difference	Wheat Trade	
	Exports	Imports		Imports	
Argentina	591,819	1,245,911	— 654,092	458,186	
Bulgaria	19,077	8,737	+ 10,340	1,304	
Canada	152,405	265,156	— 112,751	214,600	
United States	963,999	1,324,225	— 360,226	31,204 ²	
Holland	1,867,398	1,632,024	+ 235,374	11,557 ³	
Turkey	13,315	44,102	— 30,787	10,761	
Russia	186,637	555,023	— 368,386	69,444	

¹ According to Belgian statistics. ² To be credited to Canada. ³ Various sources.

CONDITIONS IN HUNGARY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, March 3, 1936.—Hungary is predominately an agricultural community and as such has suffered heavily from depressed conditions in world markets for farm products. The incidence of this situation is still a severe one, and the unsatisfactory position of the agricultural industry has been the outstanding feature of general conditions in this country throughout the past year.

Coincident with this situation has been a more or less wholesale rearrangement of Hungary's economic activities. The contracted purchasing power of the proportionately large farming community has encouraged an intensification in the efforts of industry to locate export markets in the same way, for example, as large numbers of farm workers have deserted their traditional occupation for the factory. The Government has attempted, through the conclusion of trade agreements with various European countries, to provide a basis for extended export trade, but in general such treaties have failed to operate satisfactorily owing to exchange and similar restrictions which have been involved in practically every instance.

Agricultural production in Hungary is principally concerned with wheat, rye, barley, maize, potatoes, and sugar beets. Last season's wheat crop was a fair one, while the rye and barley crops were slightly above those of the previous year. All other field crops, however, showed considerably lower production than in the 1933-34 season. In so far, however, as the wheat crop was of satisfactory volume and, through the commercial agreement with Italy, could be exported to that market at prices in excess of world market quotations. Hungary's income from this trade showed definite improvement over that of recent years. This gain, however, is now threatened by the likelihood that Italy will be unable to continue payment for such stocks in foreign exchange or in such raw materials as are required by Hungarian industrial undertakings.

EXCHANGE CONTROL

The Hungarian Government has enforced a system of exchange control since July, 1931. It has involved the purchase of foreign exchange proceeds of Hungarian export transactions by the National Bank and the sale of such funds to importers of foreign goods. In general, the exporters received a premium for such sales, while purchasers were required to pay surcharges varying from 25 to 40 per cent. The system, of course, was designed not only to protect the country's immediate financial position but to encourage export trade and restrict unnecessary imports. Some alterations have recently been made in the system, but rather to secure simplicity and uniformity in operation than otherwise, and the position at the moment, in so far as Canadian trade is concerned, is that importers must pay, in their own pengő currency, a surcharge of 53 per cent for free Canadian exchange with which to pay for their purchases. A similar rate is applicable in the case of import business from all countries with which no "clearing" or similar agreement exists, while in such cases the surcharge is currently fixed at 41 per cent. In a few other instances Hungarian trade is carried on almost exclusively on a barter basis.

CANADIAN TRADE WITH HUNGARY

Canadian trade with Hungary is of unimportant extent. Imports during the year ended March 31, 1935, amounted in value to \$67,989 and was comprised largely of peas, broom corn, unmanufactured leather, and cotton goods. Exports to Hungary during the same period are shown in official Canadian returns as amounting in value to \$2,134, although it is believed that the true figure is

somewhat in excess of this sum. Commodities involved were wood-pulp, tire casings and tubes, and parts of farm implements.

It is not considered that, for the time being, the Hungarian market offers any valuable openings for the sale of Canadian goods, and the suggestion is offered to any interested Canadian firms that serious consideration of inquiries should be deferred until definite assurance is obtained that no difficulties regarding payment will be experienced.

ECONOMIC SITUATION IN LITHUANIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One lit is approximately equal to Can.\$0.167)

Hamburg, March 9, 1936.—Lithuania experienced a generally unsatisfactory year during 1935. This country has persisted in the maintenance of the gold standard and, as far as possible, in abstaining from the imposition of the exchange and trade restrictions which have characterized the economic position of most Central European countries during recent times, but has at last been forced to adopt several expedients of this type in order to assist foreign trade and to enable a continuance of stable internal conditions.

Lithuania is a small country, its area being 55,670 square kilometres (about 22,000 square miles), and its population is about 2,500,000. It is essentially an agricultural community, but the lumber industry is also of considerable importance. Industrial development is in a primary stage only, although with the encouragement of a protective tariff, manufacturing has made several notable advances.

CURRENCY

It was noted in a report in *Commercial Intelligence Journal* No. 1624 (March 16, 1935) that Lithuanian currency had been maintained at its gold parity. On October 1, 1935, however, the Government found it desirable to institute a system of restrictions on currency exports and by this means to prevent an undue drain on gold reserves, which had shortly before shown signs of serious depreciation. The gold standard is apparently to be retained, but transfers of funds may now be arranged only when permission to do so has been obtained from the Government. Although an inflationary policy would go far towards preventing further strain on currency reserves, there is no indication that this step will be taken in the early future.

GOVERNMENT CONTROL OF INDUSTRY

The Government has also taken an active part in the management of the country's foreign trade. Selling organizations, established at official instigation or working with governmental co-operation, now control all exports of the more important farm products while, in this identical connection, schemes have also been instituted for price-fixing, the regulation of profits, and the payment of subsidies. Imports into Lithuania have in certain cases for some years past been subject to a licensing system which has recently undergone considerable expansion. At present some 90 per cent of the total imports into the country are affected by this regulation. Licences must in such instances be obtained for the completion of individual transactions involving specific commodities, while there is also in force a parallel scheme for the licensing of importing firms, fees being payable according to turnover.

The necessity felt by the Government of adopting such measures is, of course, indicative of a recession in the economic situation. There have been considerable declines in Government revenues from taxation, state forestry operations, and

the publicly owned railways. Expenditure, on the other hand, has increased perceptibly owing to no small extent to the subsidization of exports of agricultural products. Even so, the farming community remains in an unenviable position and must continue so as long as its income is dependent on export demand which must be catered to under the handicap of overvalued currency.

FOREIGN TRADE

With respect to foreign trade, the following table provides statistics of imports, exports, and the trade balance for the last five years:—

Year	Imports	Exports	Balance
	Lits	Lits	Lits
	Figures in Millions		
1931	277.9	273.1	— 4.8
1932	166.9	189.1	+22.2
1933	142.2	160.2	+18.0
1934	138.6	147.3	+ 8.7
1935	127.0	154.4	+27.4

The heavy reduction in import trade, a result of the operation of the licensing system, together with somewhat improved exports, have produced the highest favourable balance for some time. It must also be noted that, despite an apparently serious decline in values, the physical volume of Lithuania's foreign business has suffered only moderate reductions, lower prices, particularly in the case of exports, being the reason for this situation.

Lithuania has carried on the bulk of her foreign trade with Germany and the United Kingdom, but principally with the former. Recent trends, however, have been towards a reversal of this position. In 1930 imports from and exports to Germany were 151 million lits and 200 million lits respectively, whereas the corresponding figures for the United Kingdom were 24 and 65 million lits. In 1934, however, Lithuania's imports from the United Kingdom were valued at 35 million lits as compared with 39 million from Germany, whereas exports to the United Kingdom were valued at 62 million lits, a figure twice as large as that for Germany of 31 million. Principal exports are bacon, lumber, butter, wood-pulp, flax and tow, plywood, pigs, meat, horses, clover seed, and pulpwood. Import trade, on the other hand, is concerned chiefly with cotton goods, machinery, iron products, coal, oils, fertilizers, and chemicals.

As noted in previous reports, Canadian trade with Lithuania has never been of importance. It is still to be assumed that certain Canadian products are sold to this market via the United Kingdom or by firms in Continental ports. The former channel would appear to be the most desirable means of developing export sales to this country.

TRADE OF PERU IN 1935

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(One sol equals 28 cents Canadian at par of exchange)

Lima, February 28, 1935.—Preliminary data has just been released regarding the trade of Peru during the calendar year just ended.

During the year 1935 the value of the importations of foreign merchandise into Peru amounted to soles 174,759,689, while in 1934 these purchases had amounted to soles 165,003,262, indicating a greater importation of foreign goods with a value of S/9,756,427. The volume of merchandise imported in 1935 was 501,406 metric tons, while in the previous year 384,758 tons passed through the customs, which shows an increase of 116,648 tons. This increase in both values and volume during the past year is looked upon as being largely due to the need for renewing stocks of merchandise depleted during recent depression years with the return of a more prosperous economic condition.

Better conditions prevailed also in the export market, good prices having been obtained for cotton, minerals, petroleum, and other articles of national production. Exports increased, especially those belonging to the mineral group, and particularly those consigned to the United States and European markets. Peruvian exports in 1935 amounted to 2,631,071 metric tons with a value of S/308,923,449 as compared with 2,526,453 tons valued at S/305,093,677 in 1934. As a result, it is seen that exports showed an increase of 104,618 tons valued at S/3,829,772. The favourable visible balance of trade in 1935 was S/134,164,000 as compared with S/140,090,000 in 1934. This difference of some S/6,000,000 is the result of a greater proportional increase of imports in comparison with those of exports over the previous year.

CONDITIONS IN BOLIVIA IN 1935

R. W. MCBURNEY, ASSISTANT TRADE COMMISSIONER

Lima, February 14, 1936.—The principal economic features of 1935 in Bolivia were affected either directly or indirectly from conditions resulting from the Chaco war. Resultant necessary changes in Government economic policy affected both internal and external trade.

FINANCE

In the presidential address to Congress, July 16, 1935, it was emphasized that three years of war had produced a very serious financial situation, which it was necessary to adjust as rapidly as possible. The last available statement regarding the Bolivian debt situation, quoted in the address, was that for July 30, 1934. As at that date the external debt totalled \$62,403,373 (United States), and the internal debt 73,783,900 bolivianos. This statement took no account of war expenditures, or debts arising therefrom. The latest published figures on war account indicate that it cost the country approximately \$195,000,000. There has also been an accumulation of private debts abroad as, under severe exchange control measures, foreign exchange for payment to foreign creditors was impossible to obtain.

It is stated that the mining industry is working on a plan whereby the war debts may be liquidated within two years, without interfering with its contributions to the state's supply of foreign exchange. No details as to the nature of the plan have been issued.

CONTROL OF NATIONAL CONSUMPTION AND OF EXCHANGE

Conditions arising from the war led to the creation, by decree of January 20, 1935, of a Board of National Consumption (see *Commercial Intelligence Journal* No. 1624: March 16). This board, acting under control of the Defence Ministry, virtually controls the economic activity of the country. Its powers include control over the cost of living, export and import trade, rationing and requisitioning of essential commodities. It has prohibited the importation of luxury articles.

Exchange control, originally established by decree in May, 1932, and amended in November, 1934, was made extremely rigid by decree of January 24, 1935, as reported in *Commercial Intelligence Journal* No. 1666 (January 4, 1936). Two types of exchange are now in effect, the "official," tied to sterling at the rate of £1 to Bs.20.26, and the "export," for which the rate is determinable by the Banco Central de Bolivia, and which may in no case exceed the rate of £1 equals Bs.80. Exchange received at the official rate is used for Government requirements, imports of prime materials, and reimbursements to the Banco

Central de Bolivia. Receipts from the export rate are allocated for the requirements of commerce, industry, and the general public.

Exchange control and the activities of the Board of National Consumption are linked in so far as it is obligatory to obtain an import permit from the latter before an order may be placed abroad and before exchange may be obtained to pay for such goods. In view of this situation, foreign exporters have generally refused to ship before payment had been effected in their own countries.

Press reports under date December 3, 1935, stated that revalorization of Bolivian currency was under consideration by the Government, in view of increased exports, and the extent to which economic recovery had advanced.

BUSINESS CONDITIONS

Conditions as outlined above were naturally reflected in trade within the country, and even more so as regards external trade.

Imports, already declining due to adverse exchange rates, suffered further setbacks as a result of operations of the Board of National Consumption. Uncertainty as to the future of the exchange situation led many merchants to reduce turnover and to allow stocks to become depleted, rather than risk incurring losses from exchange fluctuations. During October and November some increase in importations was noted. December again saw the return of uncertainty.

During the latter part of the year, the "official" rate, in terms of United States dollars, fluctuated from 4·24, as at September 15, to 4·26 early in October, thence to 4·22 later in the month. November witnessed a decline to 4·16, while the December rate averaged around 4·15.

Similarly the "export" rate declined from 16·58 at the end of September to 16·40 in the latter part of December.

These unfavourable exchange rates, together with speculation in commodities, tended to increase the cost of living to a material extent. A further result of adverse exchange conditions is a tendency among merchants to defer meeting obligations, and to ask for long-term credits, in hope of more favourable rates in the future.

The tin industry has been severely hampered by labour difficulties, with consequent decrease in production. Stocks in the country are severely depleted. Consequently, although Bolivia's quota, as fixed by the International Tin Cartel, has been raised from 80 to 90 per cent of 1929 tonnage, no actual advantage to the country is anticipated. Rather, it is felt that difficulty will be experienced in filling the former quota. Nevertheless, expansion in the mining industry is proceeding. One financial group has issued tenders on power-line equipment to serve new mines, valued at approximately \$150,000 Canadian funds.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, is making a tour of the principal centres of Canada in the interest of Canadian trade with Belgium.

His itinerary is as follows:—

Vancouver and Victoria..	Mar. 30 to Apr. 8	London, Chatham, Ingersoll, Stratford ..	Apr. 23
Toronto, Oakville, Oshawa	Apr. 13 to 18	Brantford ..	Apr. 24
Hamilton ..	Apr. 20	Smiths Falls ..	Apr. 27
Guelph ..	Apr. 21	Ottawa ..	Apr. 28 and 29
Kitchener, Hespeler, Galt	Apr. 22		

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Vancouver, Victoria, and Toronto, with the office of the Canadian Manufacturers Association; for Ottawa with the Department of Trade and Commerce; and for the other centres with the respective Board of Trade or Chamber of Commerce.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Australian Tariff Changes

The following information, based on condensed telegraphic advices and therefore subject to confirmation or revision, is given concerning a tariff amendment which went into force in Australia on March 21:—

Apparel elastic under 1 inch in width or diameter, formerly 35 per cent ad valorem British preferential and 55 per cent ad valorem general tariff, becomes 10d. per gross yards or 22½ per cent ad valorem British preferential tariff and 18½d. per gross yards or 62½ per cent ad valorem general tariff. The rates on rubber thread are changed from 35 per cent ad valorem British preferential and 55 per cent ad valorem general tariff to 22½ per cent and 62½ per cent ad valorem respectively. Fishing and rabbit nets and netting therefor remains free under the British preferential tariff but is increased from 10 per cent to 15 per cent ad valorem under the general tariff. Plates, sheets, pipes, tubes, rods, angles, bars, strips, and tee of any metal (except gold, silver, zinc, or tin pipes or tubes) plated, polished, or decorated, but not including plain tinned, on which the rates were 30 per cent ad valorem British preferential and 50 per cent ad valorem general tariff, become subject to a variety of duties, some higher and some lower than formerly, depending on the class of metal. The rate on heat-resisting glassware for cooking purposes is reduced from 35 per cent ad valorem British preferential and 60 per cent ad valorem general tariff to 20 per cent and 52½ per cent ad valorem respectively. Roofing slates, formerly 20 per cent ad valorem British preferential and 51½ per cent ad valorem general tariff, are reduced to free and 15 per cent ad valorem respectively. Fly papers, chemical and sticky, formerly 10 per cent ad valorem British preferential and 25 per cent ad valorem general tariff, become 7½ per cent and 33¾ per cent ad valorem respectively. Specific provision is made for complete lift machines for gearless lifts at 45 per cent ad valorem British preferential and 65 per cent ad valorem general tariff up to 50 horse-power, and free and 15 per cent ad valorem respectively when over 50 horse-power. A new item is made for electric human hair dryers, the rates being 15 per cent ad valorem British preferential and 50 per cent ad valorem general tariff for the pedestal type, and free and 25 per cent ad valorem respectively for other types. Dental chairs, electrically or oil-pump controlled, remain free under the British preferential tariff, but alternative rates are introduced in the general tariff with a minimum rate of 20 per cent ad valorem. Metal type valves for wireless telegraphy and telephony, including rectifying valves, are exempted from the excise tax of 2s. each leviable on such valves of any material.

The British preferential rates quoted are applicable to Canada.

New Irish Free State Duties on Cast Iron Products

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, a customs duty of 40 per cent ad valorem is imposed, as from February 29, 1936, on a long list of cast iron manufactures entering the Irish Free State. The previous duty on cast iron products was 25 per cent ad valorem.

The list to which the increased duty applies is as follows:—

Pavement gutters and component parts thereof; sewer-pipe ventilators; air bricks and air grids; furnace pans, furnace doors and frames, and furnace bottom grates; angle and other wall brackets of which the arm or one of the arms is not less than 7 inches in length; stands, frames and other supports for lavatory basins, kitchen sinks, and similar articles, and also component parts of any such supports; kerbs for fire-places; earth rammers, whether imported with or without handles; shoe anvils (including sockets and stands therefor) and foot or hobbing irons; name plates, number plates, and indicator plates not otherwise liable to duty; fire-grates, ranges, stoves (other than stoves primarily adapted for use for heating water in connection with hot water circulating systems) and mantel registers, and also component parts of any such articles, but excluding any such articles heated by electricity, gas, or oil; chimney-pieces and mantel-pieces and parts thereof; pots, pans, and kettles of all descriptions suitable for domestic or household use and component parts of any such articles; glue pots and glue cups; smoothing irons of every description, and also stands for any such irons, but excluding any such irons heated internally by gas, electricity, or oil; safes and strong-boxes.

Exchange of Notes between Canada and France

An exchange of notes between Canada and France was effected in Paris on March 20, 1936, whereby each country accorded the other a number of concessions additional to those provided for under the Trade Agreement of May 12, 1933, and the Additional Protocol of February 26, 1935. The new arrangement is to come into force on March 31, 1936. The concessions accorded to Canada under this exchange of notes are the French minimum tariff rates on selenium, hairpins, and needles for knitting machines. The minimum tariff is also extended on outboard motors weighing less than 250 kilograms within the limits of a quota of 2,500 kilograms a year. The French duties on these products are:—

Item No.	General Tariff	Minimum Tariff
Ex 0381 Selenium ad val.	80%	20%
Ex 510F Outboard motors, weighing less than 250 kg. per 100 kilos	1,300 francs	325 francs
Ex 546 Hairpins—		
Of tinned iron per 100 kilos	1,060.80 francs	265.20 francs
Of brass per 100 kilos	1,485.10 francs	371.25 francs
Of steel per 100 kilos	2,652 francs	663 francs
544 bis. Needles for knitting machines—		
Shaped needles weighing 700 grams or less per 1,000 per kilo	457.60 francs	114.40 francs
Other shaped needles per kilo	178.85 francs	44.70 francs
Articulated, with one joint per kilo	228.80 francs	57.20 francs
Articulated, with two joints per kilo	87 francs	58 francs

(One franc at par equals 3.92 cents Canadian; at present exchange, 6.64 cents. One kilo equals 2.204 pounds.)

France also undertakes to grant Canada sympathetic treatment with respect to quotas generally. Quotas which were granted to Canada for a limited period under Schedule F to the Additional Protocol of February 26, 1935, have been fixed at the following amounts for imports from Canada during each of the first and second quarters of 1936:—

Item No.	Metric Quintals
347 bis A. Porcelain insulators without metal parts	20
347 bis B. Porcelain insulators with metal parts	50
524 bis K. Electric heating apparatus, including electric stoves	100
Ex 524 bis M. Vacuum cleaners and parts thereof	20

(One metric quintal equals 220 pounds.)

As under the previous agreement, import licences for the products listed in the foregoing table must bear the visa of the Canadian authorities in Paris.

In return for the above concessions, Canada accords to France increased preferences on rum and cigarette papers.

British Malaya Empire Content for Motor Vehicles

The Acting Trade Commissioner in Singapore reports under date March 2, 1936, that the Governments of the Straits Settlements and Federated Malay States propose to enforce new regulations with respect to first registration of motor vehicles as from May 1, 1936. At the present time vehicles of non-British origin are required to pay a tax of 20 per cent ad valorem on first registration. The new regulations will require that imported motor vehicles be accompanied by a new certificate of origin setting out in detail the British and non-British content. A copy of the proposed new certificate is on file with the Department of Trade and Commerce at Ottawa.

Further information will be published herein when details of the new regulations are made public.

St. Lucia Textile Quota, 1936

Mr. J. C. Britton, Assistant Trade Commissioner in Port of Spain, writes that by a proclamation dated January 3, 1936, the Government of St. Lucia has fixed the quantity of regulated textiles which may be imported into the

Presidency during the quota period January 1, 1936, to December 31, 1936, as follows: United States, 349,146 yards; all other foreign countries, except Italy, each 17,640 yards. The total quantity allotted to each of the foreign countries with the exception of Italy is the same as that of the previous year.

Decrease in the Netherlands Monopoly Tax on Wheat Flour

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writes that, by a ministerial order of February 28, 1936, the Netherlands monopoly tax on wheat flour, to which reference was made in *Commercial Intelligence Journal* No. 1651 (September 21, 1935), page 504, has been reduced from fl. 7 to fl. 6.25 per 100 kilos. The effect of this order is retroactive from February 1, 1936.

Consular Invoices for China

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

Shanghai, February 22, 1936.—From previous reports which have appeared in the *Commercial Intelligence Journal*, exporters will recall that all shipments of goods to China (except those by parcel post and/or those to certain diplomatic and military officials) having a value f.o.b. steamer greater than \$200 Chinese currency, must be accompanied by a consular invoice issued by a Chinese Consul in the country of origin. In this connection the Chinese customs authorities have just announced (Chinese Maritime Customs Notification No. 1499, dated Shanghai, February 20, 1936) that on and after March 1, 1936, 90 gold units instead of 110 gold units will be taken as the equivalent of \$200 Chinese currency when deciding whether an invoice is required. The exchange rate between the Canadian dollar and the gold unit is set quarterly by the Chinese Government, and the Chinese Consulates in Canada are notified regularly of the periodic changes. Exporters should apply therefore to the Chinese Consulate in Vancouver or to the Consulate-General in Ottawa for this rate, and whenever it results in the value of their shipment being equivalent to 90 gold units or more they should make quite sure to obtain a consular invoice.

An earlier notification (No. 1498), dated at Shanghai, February 19, 1936, announced that exporters may obtain from Chinese Consuls abroad duplicate copies of consular invoices for reference. The duplicate may serve another purpose. If it is sent to the importer under cover separate from the original it will enable the latter, in case the original is lost, to obtain a surrogate invoice on payment only of the usual fee. Without the duplicate to stand as evidence that the original had been issued, the importer would have to pay not only the usual fee, but in addition a fine of three times the fee.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, N.Z., for equipment required by the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications.

Particulars are as follows:—

Post and Telegraph Department.—100 strips, connection, No. 23A, to specification; 200 strips, connection, 25 by 2, to specification (tenders close June 4); eight miles cable, single solid conductor, rubber insulated, taped and braided, black, to specification (tenders close June 5).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 23

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending March 23, 1936, with the official bank rate. Quotations for the week ending March 16, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 16	Nominal Quotations in Montreal Week ending March 23	Official Bank Rate
Austria	Schilling	.1407	\$.1888	\$.1883	3½
Belgium	Belga	.1001	.1699	.1697	2
Bulgaria	Lev	.0072	.0130	.0127	6
Czechoslovakia	Krone	.0296	.0418	.0418	3
Denmark	Krone	.2680	.2220	.2219	3½
Finland	Markka	.0252	.0220	.0220	4
France	Franc	.0392	.0664	.0663	3½
Germany	Reichsmark	.2382	.4048	.4044	4
Great Britain	Pound	4.8666	4.9750	4.9725	2
Greece	Drachma	.0130	.0095	.0094	7
Holland	Guilder	.4020	.6848	.6832	2½
Hungary	Pengo	.1749	.2961	.2961	4
Italy	Lira	.0526	.0800	.0799	5
Jugo-Slavia	Dinar	.0176	.0232	.0231	5
Norway	Krone	.2680	.2500	.2496	3½
Portugal	Escudo	.0442	.0451	.0451	5
Roumania	Leu	.0060	.0077	.0077	4½
Spain	Peseta	.1930	.1376	.1373	5
Sweden	Krona	.2680	.2564	.2561	2½
Switzerland	Franc	.1930	.3287	.3280	2½
United States	Dollar	1.0000	1.0000	1.0025	1½
Poland	Zloty	.1122	.1898	.1893	5
Argentina	Peso (Paper)	.4245	.3316	.3311	—
Brazil	Milreis (Paper)	.1196	.0858	.0859	—
Chile	Peso	.1217	.0510	.0511	4½
Colombia	Peso	.9733	.5715	.5729	4
Mexico	Peso	.4985	.2777	.2784	4-5
Peru	Sol	.2800	.2418	.2494	6
Venezuela	Bolivar	.1930	.2575	.2581	—
Uruguay	Peso	1.0342	.8006	.8008	—
China (Shanghai)	Dollar	.....	.2984	.2986	—
Cuba	Peso	1.0000	.9990	1.0015	—
Hongkong	Dollar	.....	.3258	.3263	—
India	Rupee	.3650	.3752	.3749	3
Japan	Yen	.4985	.2900	.2889	3.65
Java	Guilder	.4020	.6880	.6867	4
Siam	Baht (Tical)	.4424	.4559	.4555	—
Straits Settlements	Dollar	.5678	.5825	.5828	—
South Africa	Pound	4.8666	4.9687	4.9662	—
British Guiana	Dollar	1.0138	1.0343	1.0359	—
Jamaica	Pound	4.8666	4.9850	4.9825	—
Other British West Indies	Dollar	1.0138	1.0343	1.0359	—
Martinique	Franc	.0392	.0664	.0663	—
Guadeloupe	Franc	.0392	.0664	.0663	—
Australia	Pound	4.8666	3.9800	3.9775	—
Egypt	Pound (100 Piastres)	4.9431	5.1000	5.0925	—
New Zealand	Pound	4.8666	4.0125	4.0100	—
	Argentina	Free	.2755	.2752	—
	Brazil	Free	.0575	.0576	—
	Chile	Free	.0410	.0411	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Quotations on New York funds advanced at Montreal during the third week of March from par to a premium of 0.25 per cent. Rates on sterling and the French franc showed minor losses, but the German reichsmark was stronger. The relative stability of European gold currencies during the political strain of the past two weeks has attracted considerable comment. While it is known that hoarding is again on the increase in France, and that some capital has left the country, the resultant effect upon franc rates has been slight.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	St. Boniface, Man.
Halifax, N.S.	Stratford, Ont.	Winnipeg, Man.
Quebec, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Montreal, P.Q.	St. Mary's, Ont.	New Westminster, B.C.
Toronto, Ont.	Portage la Prairie, Man.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.	Winnipeg, Man.	Victoria, B.C.
Montreal, P.Q.	Edmonton, Alta.	Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Salmon.....	159	Guayaquil, Ecuador.....	Agency.
Sardines in Tomato Sauce.....	160	Guayaquil, Ecuador.....	Agency.
Canned Lobster.....	161	Batavia, Java.....	Purchase and Agency.
Evaporated Apple Rings.....	162	Batavia, Java.....	Purchase and Agency.
Sheet Gelatine.....	163	Batavia, Java.....	Purchase and Agency.
Flour.....	164	Guayaquil, Ecuador.....	Agency.
Miscellaneous—			
Cosmetics.....	165	Medan, Sumatra.....	Purchase and Agency.
Dry Colors (White Lead, White Zinc and Lithopone).....	166	Harbin, Manchuria.....	Agency.
Over-issue Newspapers.....	167	Batavia, Java.....	Purchase and Agency.
Newsprint and Wood-free Papers (for Holland, South and Central America, China, and the Netherlands East Indies).....	168	Amsterdam, Holland.....	Agency.
Leather.....	169	Bristol, England.....	Agency.
Calf Leather (Black and Coloured).....	170	Leicester, England.....	Purchase or Agency.
Gloves for Fruit Picking and Pruning.....	171	Cape Town, South Africa.....	Agency.
Chamois (Automobile).....	172	Santiago, Chile.....	Purchase and Agency.
Sponges (Automobile).....	173	Santiago, Chile.....	Purchase and Agency.
Acetic Acid.....	174	Santiago, Chile.....	Purchase and Agency.
Hardware Specialties.....	175	Birmingham, England.....	Purchase and Agency.
Metal Handbag Frames.....	176	London, England.....	Agency.
Novelties (Automobile).....	177	Santiago, Chile.....	Purchase and Agency.
Gas Fixtures and Piping.....	178	Valparaiso, Chile.....	Purchase.
Gas Stoves.....	179	Valparaiso, Chile.....	Purchase.
Water Heaters (Gas).....	180	Valparaiso, Chile.....	Purchase.
Radiators (Cast Iron and Steel for Steam and Hot-water Heating Systems).....	181	Harbin, Manchuria.....	Agency.
Circular Rip Saws.....	182	Johannesburg, South Africa.....	Agency.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A. of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

NEW SERVICE FROM MONTREAL TO PORTUGUESE, SPANISH, AND MEDITERRANEAN PORTS

Gardiaz Lines, of which Garcia & Diaz are general managing agents in New York, and McLean Kennedy, Limited, are general agents in Canadian ports, announce the inauguration of a new service direct from Montreal on the 17th of each month, beginning with the *M.S. Nordhavet*, sailing May 17 for Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa, and Leghorn.

This company is also prepared to issue through bills of lading, with transshipment at New York, for all northern ports in Spain and Italian transshipment ports.

A complete schedule showing sailings a year in advance, as well as full information in connection with this service, is available upon application to Messrs. McLean Kennedy Limited, Coristine Building, Montreal.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, April 24; Duchess of Atholl, May 1—both Canadian Pacific; *Antonia*, Cunard-White Star Line, April 24.

To London.—Beaverbrae, April 24; Beaverhill, May 1—both Canadian Pacific; *Ascania*, April 24; *Aurania*, May 1—both Cunard-White Star Line.

To Manchester.—Manchester Regiment, Manchester Line, April 30.

To Avonmouth, Cardiff and Swansea.—Dakotian, Cunard-Donaldson and Dominion Lines, May 5.

To Glasgow.—Athenia, Donaldson-Atlantic Line, May 1.

To Newcastle and Leith.—Cairnross, Cairn-Thomson Line, April 30.

To Antwerp and Havre.—Beaverhill (does not call at Havre), Canadian Pacific, May 1; Alaska, County Line, May 5.

To Rotterdam.—Kings County, County Line, May 8.

To Hamburg.—Beaverbrae, Canadian Pacific, April 24.

To Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa and Leghorn.—Nordhavet, McLean Kennedy Ltd., May 17.

From Quebec

To Southampton.—Empress of Australia, Canadian Pacific, April 26.

From Saint John

To *Liverpool*.—Montclare, April 3; Duchess of York, April 10; Montcalm, April 17—all Canadian Pacific.

To *London*.—Beaverdale, April 2; Beaverburn, April 9—both Canadian Pacific.

To *Manchester*.—Manchester Hero, April 1; Manchester Producer, April 9; Manchester Commerce, April 16—all Manchester Line.

To *Avonmouth, Cardiff and Swansea*.—Norwegian, Donaldson and Dominion Lines, April 11.

To *Glasgow*.—Norwegian, April 11; Airthria, April 18—both Donaldson-Atlantic Line.

To *Newcastle and Leith*.—Cairnglen (calls at Dundee), Cairn-Thomson Line, April 9.

To *Dublin and Belfast*.—A steamer (cargo accepted for Londonderry and Cork), Head Line, April.

To *South France and Italian Ports*.—A steamer, Canada-Mediterranean Line, April.

To *Rotterdam, Antwerp and Havre*.—Brant County (does not call at Antwerp), April 2; Hada County (does not call at Rotterdam), April 11—both County Line.

To *Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—Lady Nelson, April 1; Lady Hawkins, April 15—both Canadian National.

To *Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—A steamer, Ocean Dominion Line, April 11.

To *Kingston and Jamaican Outports*.—Darien, April 2; San Gil, April 18—both United Fruit Line.

To *Manila, Hongkong, Shanghai and Dalny*.—City of Christchurch, Canada-Far East Line, April 10.

To *Cape Town, Port Elizabeth, East London and Durban*.—Lylepark, Elder-Dempster Line, April 15.

To *Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta*.—City of Glasgow, Canada-India Service, March 28.

To *Montevideo and Buenos Aires*.—A steamer, Canada-South America Line, April.

From Halifax

To *Liverpool*.—Montclare, April 4; Duchess of York, April 11; Montcalm, April 18—all Canadian Pacific; Manchester Hero, April 3; Manchester Exporter, April 13—both Manchester Line; Newfoundland, Furness Line, April 14.

To *London*.—Beaverdale, April 3; Beaverburn, April 10—both Canadian Pacific; Ausonia, April 4; Alaunia, April 11—both Cunard-White Star Line; Capulin, April 10; McKeesport, April 24—both American Hampton Roads (call at Dundee).

To *Manchester*.—Manchester Hero, April 3; Manchester Producer, April 11; Manchester Commerce, April 18—all Manchester Line.

To *Aberdeen, Newcastle and Hull*.—Gitano, April 10; Kelso, April 29—both Ellerman's Wilson Line.

To *Cardiff, Bristol and Swansea*.—New York City, April 4; Bristol City, April 22—both Bristol City and Dominion Lines.

To *Newcastle and Leith*.—Cairnglen (calls at Dundee), Cairn-Thomson Line, April 11.

To *Avonmouth, Cardiff and Swansea*.—Norwegian, Cunard-Donaldson and Dominion Lines, April 13.

To *Glasgow*.—Norwegian, April 13; Airthria, April 20—both Donaldson-Atlantic Line.

To *Hamburg*.—Capulin, April 10; McKeesport, April 24—both American Hampton Roads (call at Hull and Leith).

To *Copenhagen, Gothenburg and Baltic Ports*.—Korsholm, March 30; Svaneholm, April 21—both Swedish-America-Mexico Line.

To *St. John's, Nfld., and St. Pierre-Miquelon*.—Fort Amherst, Furness-Red Cross Line, March 30; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., April 1 and 15; Belle Isle, Newfoundland-Canada SS. Co., April 6; Magnhild, G. T. Shaw, April 6; Newfoundland (does not call at St. Pierre), Furness Line, April 14.

To *Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—Lady Nelson, April 9; Lady Hawkins, April 23—both Canadian National.

To *Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara*.—A steamer, Ocean Dominion Line, March 30 and April 15.

To *Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras)*.—Lady Somers, April 2; Lady Rodney, April 16—both Canadian National.

To *Santiago (Cuba) and Kingston (Jamaica)*.—Ciss, April 8; Kirsten B., April 22—both Pickford & Black Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne, April 4; Chomedy, April 18—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).
To Kingston, Jamaica.—Cathcart, April 9; Cavalier, April 23—both Canadian National.
To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Siversandal, April 11; Chinese Prince, April 25—both Silver-Prince Line.
To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Cruiser, Canadian National, April 30.
To Auckland, Wellington, Melbourne and Sydney.—Canadian Britisher, Canadian National, April 24.
To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Salawati, Java-New York Line, March 30.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, April 4; Hikawa Maru, April 18; Hiye Maru, May 2—all Nippon Yusen Kaisha.
To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), April 4; Empress of Asia (calls Nagasaki), April 18; Empress of Canada (calls Honolulu), May 2—all Canadian Pacific; Tyndareus, April 5; Ixion, May 3—both Blue Funnel Line (call at Miike but not at Manila).
To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Kota Agoeng, March 31; Bintang, April 30—both Silver-Java Pacific Line.
To Honolulu, Suva, Auckland and Sydney.—Niagara, Canadian-Australasian Line, April 22.
To Auckland, Wellington, Melbourne and Sydney.—Golden Cloud, Oceanic and Oriental Navigation Co., April 13.
To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Cape Horn, Canadian-Australasian Line, April 6.
To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., April.
To London and Liverpool.—Vernon City, April 4; Devon City (calls at Cardiff), April 20—both Reardon Smith Line.
To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer), Holland-America Line, April.
To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Canada, April 10; Amerika, April 27—both East Asiatic Co.
To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., April.
To Scandinavian Ports.—Canada, April 10; Axel Johnson, May 1—both Johnson Line.
To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Fella, Empire Shipping Co., April.
To Port of Spain (Trinidad) and Bridgetown (Barbados).—Zurichmoor, Canadian Transport Co., March 30.
To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverwillow, April 6; Silverfir, April 15—both Silver-Java Pacific Line.
To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Brandanger, Empire Shipping Co., April 16.

From New Westminster

To London and Liverpool.—Ruperra (does not call at Liverpool), Anglo-Canadian Shipping Co., April 2; Drechtdyk (calls at Southampton and Rotterdam), Royal Mail Lines, April 10; Pacific President (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., April 13; Steel Trader (calls at Avonmouth), B. W. Greer & Son Ltd., April 17; Devon City (calls at Cardiff), Reardon Smith Line, April 18; Gracia (calls at Glasgow), Balfour Guthrie & Co., April 18.
To United Kingdom Ports.—Caithness, April 10; Ardanbahr, April 15—both Anglo-Canadian Shipping Co.
To Japanese Ports.—Meiwo Maru, Yamashita Shipping Co., April 6; Hikawa Maru, B. W. Greer & Son Ltd., April 8.
To Shanghai.—Strathpoint, April 15; Bradfyne, April 15—both Ocean Shipping Co.
To Hawaii.—Mala, April 6; Diamond Head, April 24—both Dingwall Cotts Co.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Estonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Japan

- Tokyo:** J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*
- Kobe:** R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

- M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

- J. C. MACGILLIVRAY, Beursplein 26B, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

- ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

New Zealand

- C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

- RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

- W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

- M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

- Cape Town:** G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*
- Johannesburg:** J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

- London:** FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*
- London:** J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*
- London:** W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)
- London:** W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*
- Liverpool:** H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*
- Bristol:** FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*
- Glasgow:** G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

- New York City:** D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, April 4, 1936

No. 1679



Discharging Canadian Pine at a South Wales Dock

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, April 4, 1936

No. 1679

UNITED STATES MARKET FOR CODFISH

G. A. NEWMAN, ASSISTANT TRADE COMMISSIONER

New York, March 10, 1936.—The development of Canadian exports of codfish to the United States has to be considered against a background of an old and established industry—the New England codfish trade. Although the Pacific Coast fisheries supply from 12,000,000 to 20,000,000 pounds of codfish annually, equal to from 10 to 15 per cent of the total United States catch, it is fish drawn from Atlantic waters that exercise the major influence on those markets open to Canadian shippers. The total catch of codfish off the east coast of North America during the thirty-year period 1896-1925 averaged 1,103,000,000 pounds annually, of which Newfoundland drew 538,000,000 pounds, Canada 225,000,000 pounds, France 225,000,000 pounds, and the United States 130,000,000 pounds.

Eighty-four per cent of the New England catch finds an outlet in the fresh fish market, the remainder being of inferior quality suitable for salting and processing purposes. Consequently there has been a steady market for Canadian cured codfish of all types, the quality of which has been well regarded.

FIVE CLASSES OF EXPORTS FROM CANADA

Canadian exports to the United States may be divided into five general classes in the following approximate order of importance:—

- (1) Green or pickle-cured cod to New England processing plants.
- (2) Gaspé cured cod to the Italian immigrant population in Eastern and near Western cities.
- (3) Dry salt cod to Puerto Rican and other Southern markets, either under United States jurisdiction or subject to shipment through the port of New York.
- (4) The filleting trade—codfish fillets in fresh, frozen, or smoked form to the general public.
- (5) The boneless codfish trade and a small trade in smoked cod through regular retail channels to the general public.

STATISTICS OF IMPORTS

Owing to changes in the collating and presentation of import fish statistics during the past five years, it is not possible to make a close comparative study of annual imports of codfish according to countries of origin within the classifications enumerated in the previous paragraph.

Codfish imports are not separated from their allied species, hake, haddock, pollock, and cusk, though it is safe to assume that codfish is the major, if not the only, item in the statistics.

In the figures that follow for the years 1931 to 1934, details for the year 1933 have been omitted because they are not available:—

*United States Imports of Dry-salted Cod, Hake, Haddock, Pollock, and Cusk
(not more than 43 Per Cent Moisture Content)*

Country of Origin	1931		1932		1934	
	Lbs.	\$	Lbs.	\$	Lbs.	\$
Total	23,350,117	1,367,042	18,405,482	829,753	6,303,454	342,219
Canada	14,079,303	868,120	9,158,900	448,365	3,754,201	209,873
Newfoundland and Labrador	6,996,535	345,875	6,016,471	261,999	1,662,051	84,616
United Kingdom	999,371	66,725	1,197,337	47,084	182,610	13,852
Japan . . . . .	.....	.....	.....	.....	530,897	21,821
Norway . . . . .	.....	.....	.....	.....	138,931	9,737

*United States Imports of Cod, Haddock, Hake, Pollock, and Cusk, neither
Skinned nor Boned but Pickled and Salted (containing more than
43 Per Cent of Moisture)*

Country of Origin	1931		1932		1934	
	Lbs.	\$	Lbs.	\$	Lbs.	\$
Total	13,467,714	600,450	16,756,071	622,271	34,451,703	1,368,126
Canada	10,017,331	429,947	9,003,301	331,616	17,810,743	726,337
Newfoundland and Labrador	3,114,766	156,360	5,856,852	246,807	15,328,660	610,482
United Kingdom	7,458	423	37,000	1,479	23,237	1,253
Miquelon and St. Pierre . . . . .	.....	.....	.....	.....	928,660	26,045
Japan . . . . .	.....	.....	.....	.....	215,575	5,280
France . . . . .	.....	.....	.....	.....	94,080	4,914

From the statistics listed above, it will be noticed that there has been a marked diminution in the import of salt cured codfish with 43 per cent or less of moisture, offset by an increase in the import of codfish of more than 43 per cent of moisture. Reflecting this general change, Canadian exports of dry salted cod dropped from 14,079,303 pounds in 1931 to 3,754,201 pounds in 1934, and increased in that containing more than 43 per cent moisture from 10,017,331 pounds in 1931 to 17,810,743 pounds in 1934. At the same time the heavy gain in Newfoundland exports in the latter class, from 3,114,766 pounds to 15,328,660 pounds over the same period, is significant.

MARKETING CONDITIONS

From the marketing, as opposed to the production side of the product, the changes thus indicated may be explained in part by the fact that since June, 1930, the United States duty on dry-salt codfish (43 per cent moisture or less) has been $1\frac{1}{4}$ cents per pound, while on pickle-cured codfish (more than 43 per cent moisture) it was reduced to $\frac{3}{4}$ cent per pound. The tendency therefore has been to shift imports of Canadian codfish into the low-duty class as far as possible. This is true, for example, of imports of Gaspé cured codfish, the increased moisture content of which has not been found objectionable to the trade. In addition to this, it is reported that there have been heavy consignments of Newfoundland codfish of high moisture content to Puerto Rican markets, whose import figures are included in United States domestic import statistics. It is probable that these consignments have been effective in reducing the demand for Canadian dry-salt codfish in Puerto Rico.

It is possible that there has been an increase in the importation of green cod for manufacturing purposes, and this increase would be included in the imports of salt cod of more than 43 per cent of moisture.

The foregoing statistics account for the three major sections of the Canadian codfish trade with the United States. The filleting trade and the boneless codfish imports remain to be considered.

FILLETS

Fresh and frozen fillets of cod are included in the general classification of "fish, fresh or frozen—filleted, skinned, boned, sliced or divided"—which were imported into the United States from Canada in the period 1931-34 as follows:—

	Pounds	Value
1931	2,927,389	\$316,203
1932	1,771,541	193,969
1933	2,492,997	260,070
1934	3,476,084	401,347

It is assumed that a large percentage of these imports consisted of cod fillets.

Smoked fillets of cod, listed separately for the first time in 1934, were imported from Canada in that year under the general classification of smoked fillets of cod, hake, haddock, and cusk to the extent of 987,002 pounds valued at \$104,926, as well as 700,473 pounds of smoked cod under the same general classification. In the fresh and frozen cod fillet trade imports from other countries were negligible, but in the smoked fillet and smoked cod trade Great Britain was listed as a competitive source of supply in 1934 with 109,300 pounds of smoked fillets and 14,538 pounds of smoked cod.

Owing to the duty of 2 cents a pound on boneless cod, this trade has been confined to a large extent to domestic sources of supply; imports from Canada have remained fairly steady. United States imports of boneless cod, haddock, pollock, hake, and cusk from Canada in the period 1931-34 amounted to:—

	Pounds	Value
1931	2,124,241	\$197,150
1932	1,951,553	148,974
1933 (approx.)	2,027,855	139,522
1934	2,378,579	188,628

GREEN SALT CODFISH

Green-salted or pickle-cured codfish is used extensively in the preparation of other codfish products such as boneless cod, shredded cod, and codfish cakes. Its market therefore is dependent on the extent to which these latter products find general acceptance. According to reports of the Bureau of Fisheries, the preparation of boneless cod in the United States amounted to 12,204,671 pounds in 1931 and 9,517,111 pounds in 1933. This would tend to confirm the statement of one of the largest manufacturers in the trade that the market for boneless cod has remained fairly stationary during the past few years.

For the production of 32 pounds of boneless codfish there is required about 42 pounds of green cod or 100 pounds of fresh cod. It is estimated that 50 per cent of the New England processing requirements are imported. Official figures showing actual imports of green salt codfish are not available, as they are grouped under the general heading of "pickled and salted cod of more than 43 per cent moisture." It is known, however, that most of the imported supplies are obtained from Canadian fisheries, whose product is well regarded in the trade.

The processing section of the trade is controlled by a few firms, one in particular being especially prominent. It will be appreciated, therefore, that in a market which shows no tendency to expand and the initial buying channels of which are closely controlled, there is not much prospect for strong market values unless there is a marked shortage of supplies.

It is reported that prices during the past season were $2\frac{1}{2}$ cents per pound f.o.b. shipping point for medium cod and $3\frac{1}{2}$ cents per pound for large cod. These prices were stated to be somewhat higher than for 1933 and 1934, but lower than for previous years.

The general preparation, grading, and shipment of green cod are satisfactory.

GASPÉ CURED CODFISH

There are no separate statistics showing the United States imports of Gaspé cured fish. Since the 1930 tariffs, which placed a duty of $1\frac{1}{4}$ cents a pound on cured fish of not more than 43 per cent moisture, and a lighter duty of $\frac{3}{4}$ cent a pound on cured fish of more than 43 per cent moisture, shippers have endeavoured to supply Gaspé cured cod with just sufficient moisture to fall within the latter category. Consequently imports of Gaspé cured codfish may be included in both sections of the United States statistics covering dry-salted and pickled codfish. It is estimated in the trade, however, that between 100 and 150 cars of this codfish are imported into the United States annually. As each car contains 300 boxes of 100 pounds each, the approximate imports, therefore, are about 3,000,000 to 4,500,000 pounds per annum.

Shippers of Gaspé cured cod are fortunate in having a market in which there is little or no outside competition. When Gaspé codfish is suitably cured and graded, the quality is preferred by the Italian section of the population, who are its largest consumers, above all other types of codfish. Consequently, even though Newfoundland codfish is cured in a similar manner to Gaspé cod, it has only a small demand among other Latin races such as the Spaniards and Portuguese, or the coloured population.

As might be expected, with the heavy proportion of Italians in its population, New York is the main market for Gaspé cod, absorbing about fifty cars per season. The remainder of the imports are sold to Italian buyers in Chicago, Pittsburg, Boston, Philadelphia, and other eastern and near western cities.

Shipments are made over the Canadian railroads between September and February. Usually business is conducted through commission agents who operate on a 5 per cent commission or a straight charge of 50 cents per case. The customers of these agents are wholesale importers of Italian foodstuffs, large retailers, and the important New York fish soakers—Italian fresh-fish dealers who soak cod.

While Gaspé cured codfish purchased for distribution to points outside of New York generally finds its way to public consumption through the retail grocery trade, the bulk of the fish shipped to New York is purchased by the fish soakers. These firms buy large quantities of Gaspé cured codfish, store it, and on Tuesday of each week place a certain quantity into soak for sale the following Friday. The fish soaker obtains his cured cod from the wholesaler at about 8 to 10 cents a pound and sells it in its fully soaked state at 12 cents a pound. As the period required for soaking is about four days or longer, if it is necessary to carry the fish over from Friday to the following Monday, a New York buyer needs a codfish the flesh of which will not fall apart from the bones on soaking over the above-mentioned period. A first grade autumn-cured Gaspé codfish will meet this requirement.

GRADING

In theory, Gaspé cured codfish are exported to this market as first, second, and third grade. The first grade is preferred by the Italian trade, though the second and third grades find an outlet in various sections of the market, the lowest grade being sold to coloured consumers. The fish are also classified according to size—medium, 14 to 20 inches in length; large, 20 to 26 inches in length; and extra large, 26 to 36 inches. The medium size finds its most ready outlet in the grocery trade, and the large and extra large in the fish-soaking trade. Finally, there is a classification according to season. Because of their thinness and usually poor curing, the spring- and summer-caught fish are not favoured in this market; the autumn- and winter-caught fish are in demand.

PRICES

At the opening of the market during the past season prices for the first grade ranged between \$4.75 and \$5.75 per case of 100 pounds f.o.b. point of shipment. Second and third grades were quoted at about 50 cents to \$1 per grade lower. Towards the close of the season the top price advanced to \$6.75 and higher.

To this exporter's price is added \$2 by the wholesalers (\$1.25 duty, 75 cents freight), to bring their cost price up to from 7 to 8 cents per pound. When resold to retailers and soakers the price is from 8 to 15 cents a pound according to the size and quality of fish offered. The highest prices, of course, are charged to the soaking trade, which requires the largest and best-quality fish. Retailers add a profit of about 20 per cent.

TERMS OF TRADE

Quotations are usually f.o.b. shipping point, but there is no fixed method of payment. Purchases may be made on open letter of credit, sight draft with presentation of documents, or sometimes payment subject to inspection on arrival.

PACKING

Gaspé cured cod is packed for the United States market in flat wooden cases of 100 pounds net. It is the practice of certain shippers to supply their better grades of fish in wirebound boxes, and the lower grades in nailed boxes. Experiments are also being made in shipping codfish in 50-pound boxes.

SUMMARY

The demand for Gaspé cured codfish is among Italian immigrants. As immigration from Italy has ceased, the trade reports that the demand for Gaspé cured cod is decreasing. The second generation of Italians prefer the American meat diet. Consequently, it is expected that the demand for Gaspé cured cod will become negligible over a period of years. It should be emphasized, however, that as a cheap form of food cured codfish is likely to enjoy a moderate and continuous demand among those sections of the population with a low purchasing power.

At the same time, while the demand is being slowly reduced by factors which are beyond the control of Canadian shippers, it is the opinion of those engaged in the distribution of Gaspé cod that sales could be maintained and even improved through greater attention being paid to grading and the preparation of shipments.

DRY-SALT CODFISH

In 1931 it was estimated by the United States Tariff Commission that the total consumption of dry-salt cod and related species was about 25,000,000 pounds a year, of which less than 15 per cent was of domestic production. Imports of dry-salt cod and related species for the year 1931 were listed at 23,350,117 pounds, Canada and Newfoundland being the main sources of supply. In 1934 the total imports of dry-salt cod (not more than 43 per cent of moisture) were only 6,303,454 pounds.

Puerto Rico is the main consuming market for dry-salt cod, which is listed in import statistics as entering the United States for domestic consumption. This market is less favourably regarded by export agents than Haiti or Cuba. It is looked upon as a cut-price market which at present is rendered especially unattractive by reason of heavy consignment shipments from Newfoundland and Labrador.

TRADE THROUGH INDENT AND PURCHASING HOUSES

For many years there has existed in New York an active export trade to the West Indies and South American countries. Large and important indent and purchasing houses were established, and steamship services were inaugurated to provide a regular and speedy method of serving these Southern customers. While considerable modification in methods of business has taken place, with a general tendency to favour direct trading rather than dealing through New York export houses, a market for dry-salt codfish is still available through the older channels. Moreover, the availability of weekly sailing services makes New York an attractive reshipment port even though the business is done directly. This appears to be especially true of the markets outside of British territories, such as Haiti, Cuba, and Puerto Rico. An additional influence is the fact that exchange in connection with these various markets is more readily obtainable in New York than at the points where Canadian shipments originate.

For the above reasons there are some four or five firms of export commission agents in New York who specialize in the sale of dry-salt codfish and allied products to the indent trade or direct to local agents in the various markets. These firms handle the Canadian dry-salt codfish and usually charge a commission of 5 per cent of the f.o.b. value.

Canadian firms in the past have suffered considerable losses through delayed payment or from bankruptcies among the New York agents representing them. It is suggested, therefore, that before making new appointments Canadian shippers should consult the Canadian Trade Commissioner in New York City.

New York export agents emphasize the importance of having reliable and financially sound local agents in the various markets; otherwise they consider it preferable to confine sales to New York indent or export houses. This method permits of business being done on a basis of cash against documents.

Presumably a large portion of the codfish sent via New York is stored in bond at that point pending transshipment. Customs bonded warehouse receipts show that during 1935 there were received in New York bonded warehouses 267,728 pounds of cured salt codfish and allied species of not more than 43 per cent of moisture, and 986,634 pounds of more than 43 per cent of moisture. As there is no record of withdrawal according to the country of destination, it is not possible to state how much of this codfish went into local consumption and how much was re-exported. It would be safe to assume, however, that most of the codfish of less than 43 per cent of moisture did not enter into local consumption.

CODFISH FILLETS, FRESH OR FROZEN

The possible curtailment of dry-salt fish markets lends added interest to openings for trade which may be found in the fresh and frozen codfish fillet markets in the United States.

The per capita consumption of fresh and frozen fish in this country is about 5.134 pounds per annum as compared with 3.166 pounds of tinned fish, 0.972 pound of salted fish, and 0.288 pound of smoked fish. Codfish and its allied species form the largest item in the fresh and frozen fish consumption, amounting to 0.958 pound of the total of 5.134 pounds per annum. This consumption is small compared to that of some other countries, owing to the large areas far removed from salt water, and the difficulties involved in transportation and refrigeration. Increased consumption of sea fish is to be expected, however, with the rapid improvement in refrigeration facilities throughout the country and the noticeable growth in the sale of frozen foods of all kinds. Leading distributors are especially hopeful of development in the mid-Western cities.

PRODUCTION AND PRICES

According to the records of the New England Fish Exchange, 8,628,179 pounds of large cod passed through the exchange in 1913. In the intervening years a steady growth was recorded until in 1935 the total had reached 30,305,613 pounds. Over this same period the supply of market cod increased from 11,952,759 pounds to 35,198,767 pounds. An examination of prices paid for the fish shows that the average in 1931 was 3·40 cents per pound, 2·81 cents in 1932, 2·46 cents in 1933, 2·95 cents in 1934, and 2·817 cents in 1935.

INCREASED PREFERENCE FOR FILLETS

Coincident with this general growth in the distribution of codfish, there has developed an increased preference for fillets of cod. Bureau of Fisheries records show the production of fresh fillets of cod as 5,642,605 pounds in 1930 and 7,316,708 pounds in 1933. Frozen fillets in the same years amounted to 1,609,928 pounds and 3,971,227 pounds respectively.

Dealers report that during normal periods the price for fresh and frozen fillets varies between 7 and 10 cents per pound on the wholesale markets. As 100 pounds of whole cod produces 27 pounds of cod fillets, the prices quoted yield a value for whole fish about equal to the averages listed in the New England Fish Exchange returns.

Surplus supplies of codfish over and above the fresh and salt fish market are converted into frozen fillets by wrapping fillets in paper parchment, packing them in 15-pound boxes, and placing them in cold storage to meet periods of shortage. During these short periods prices for frozen fillets may rise as high as 15 to 19 cents on the wholesale market, although they are subject to extreme fluctuation.

Under normal weather conditions and with free domestic supplies, Canadian shippers might find it unremunerative to compete with domestic fisheries because of the import duty of 2½ cents per pound. In the periodic shortages, however, prices rise to a point where a fair profit may be obtained. With the growth of demand, these periods may be expected to become accentuated, permitting heavy volume sales over short periods. One of the best methods of distribution is through the chain stores.

One of the largest, if not the largest, firm of this kind has gone on record that in one of the mid-Western cities there has been created a marked demand for Canadian codfish fillets which it was found difficult to satisfy because of the scarcity of stocks and high prices. Canadian offers were said to have been within the 10- to 12-cent per pound range, whereas local prices averaged from 8 to 10 cents per pound during the past season.

The market for Canadian fresh and frozen fillets in the United States is one that might be subjected to careful study with a view to determining to what extent freezing and storage of fillet cod might be encouraged among the Canadian fisheries. At the same time, the question of attractive packaging and general preparation would be worth attention with the object of creating a special-quality demand.

CODFISH FILLETS, SMOKED

The smoked codfish fillet trade has developed more recently than most of the other phases of the codfish industry. Production figures are listed as follows: 1929, 408,157 pounds; 1930, 639,022 pounds; 1931, 642,352 pounds; 1933, 1,128,228 pounds. Massachusetts is shown to be the main manufacturing centre.

While the above figures are the only official statistics available, it is believed that the actual volume of trade may be somewhat larger than indicated. The estimates confirm, however, that there has been a notable development in this

trade in recent years. Imports from Canada have increased from 837,715 pounds in 1931 to 913,636 pounds in 1932 and 1,110,517 pounds in 1934. Smoked fillets of haddock began supplanting finnan haddie in 1932, and they in turn were supplanted partly by smoked fillets of cod.

Short supplies of codfish of United States catch this season provided a good market for Canadian shippers. In New York smoked green cod fillets were sold at from $16\frac{1}{2}$ to $17\frac{1}{2}$ cents per pound packed in 15-pound boxes. Smoked frozen cod fillets were also available, in cellophane packages, at about $14\frac{1}{2}$ cents per pound. Most of these supplies, prepared from codfish 1 to $1\frac{1}{2}$ pounds in weight, appeared to be coming from Nova Scotia.

Distribution is through the fish stores and general grocery trade. One of the largest chain store firms affirm that there should be a good market for Canadian smoked fillets in 8- and 15-pound packages. Care in preparation and packaging is absolutely essential in a specialty fish business of this type, to secure steady and satisfactory development. Smoked codfish fillets offered indiscriminately to fish dealers would result in disorganized market values and poor returns. Close co-operation among shippers and careful selection of selling representatives would do much to avoid the unfortunate experience of Canadian shippers in other sections of the fish trade in previous years.

BONELESS COD, PICKLE-CURED

Processing of boneless codfish in the United States is carried on by only a few firms, with one company in Gloucester, Massachusetts, dominating the trade. As reported in the section on green codfish, practically 50 per cent of the boneless codfish prepared on the Atlantic coast is derived from imported green-cured cod, with Canada the main source of supply. It has been estimated that in 1931 the production of boneless codfish amounted to 12,204,671 pounds; in 1933 it had fallen to 9,517,111 pounds. These official figures corroborate the statement of one of the largest firms in the trade, that the market for boneless codfish has remained almost stationary, with a tendency to decline in volume of consumption.

It requires 100 pounds of whole codfish to prepare 42 pounds of green salted fish, or 32 pounds of boneless codfish. The time and labour involved in processing, the loss in poundage, and the duty of 2 cents a pound levied on boneless codfish imports as compared with $\frac{3}{4}$ cent on green cod, probably explains the falling off in imports between 1930 and 1934. In 1923 United States imports of boneless cod from Canada amounted to 1,437,500 pounds, in 1930 to 2,816,800 pounds, and in 1934 to 2,381,563 pounds.

Boneless cod is prepared by removing the bones, skin, and fins and leaving the clear flesh, which is cut and packed for market in a variety of forms.

The trade is to the general American public through the chain stores and other retail food channels. In New York chain stores 1-pound "bricks" are sold at 25 cents a pound, boneless middles in 1-pound cartons at $20\frac{1}{2}$ cents a pound, and shredded codfish in 5-ounce packages at about \$1.25 per dozen. The general level of trade prices may be gathered from the fact that the largest processor in the trade is offering boneless and skinless cod of good quality at $13\frac{1}{2}$ cents a pound ex warehouse New York, while Canadian boneless cod during the past season has been imported at about $12\frac{1}{2}$ cents a pound.

Some of the Italian distributors are beginning to use boneless cod as a supplement to Gaspé cured codfish, and in the opinion of local agents for the latter products, Canadian shippers might find it to their advantage to increase their production of boneless cod to meet this new demand. Apart from this change in demand, which may allow for some increase in the boneless codfish imports at the expense of other types, the market for this product does not appear to be a particularly encouraging one to Canadian shippers.

MAPLE SUGAR AND MAPLE SYRUP INDUSTRY IN THE UNITED STATES

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, March 25, 1936.—The total annual consumption in the United States of both domestic and Canadian maple sugar and maple syrup is about 25,000,000 to 30,000,000 pounds in terms of maple sugar. Of this, approximately 13,000,000 to 15,000,000 pounds is taken by the large commercial users, and the balance, some 12,000,000 to 15,000,000 pounds, finds its way into the retail trade. The latter demand for the fancy grade is met largely through direct sales by the farmer.

Official statistics show that the United States production of maple products, expressed in terms of maple sugar, prior to 1929 was from 24,000,000 pounds to 30,000,000 pounds; from 1929 to 1934 it has remained around 20,000,000 pounds per year, with the exception of 1930, when there was a sudden increase to 31,000,000 pounds.

The states of Vermont, New York, and Pennsylvania are the chief sources of supply of maple sugar in the United States, while the states of Vermont, New York, and Ohio are the chief sources of supply of maple syrup.

TYPES OF MAPLE SUGAR AND MAPLE SYRUP

Formerly both maple syrup and maple sugar were produced entirely on the farms. The demand by commercial users, however, for maple sugar of a uniform grade started a development in the industry which has largely removed the conversion of maple syrup to maple sugar, for commercial uses, from the farms to factories.

This movement has led to a system of grading of maple syrup by the manufacturers. The buyers name a central loading station for each producing district and appoint a man to grade the syrup at these points. The rules for grading are usually set by the Department of Agriculture of the state in which the syrup is produced. The maple syrup is graded commonly as Fancy and Commercial No. 1, No. 2, and No. 3, the rough average being No. 2. The distinguishing feature between the various grades is colour. The official grading regulations for the state of Vermont, which are practically the same for all the maple sugar producing states, are as follows:—

Fancy.—Fancy syrup shall be pure maple sap syrup, free from foreign material and of a density of 36 degrees Baume hydrometer reading, weighing 11 pounds net to the gallon. It shall be of a colour no darker than No. 5 according to the United States colour standards.

No. 1 or Grade "A."—This syrup shall be the same as the above except in colour. The colour shall be darker than No. 5 and no darker than No. 7 according to the United States colour standards.

No. 2 or Grade "B."—This grade shall be the same as the above except in colour. The colour shall be darker than No. 7 and no darker than No. 9 according to the United States colour standards.

No. 3 or Grade "C."—This grade shall be the same as the above except in colour. The colour shall be darker than No. 9 and no darker than No. 11 according to the United States colour standards.

The official Vermont grades for maple sugar are as follows:—

Fancy.—Fancy sugar shall be clean, pure maple sugar made from Fancy syrup.

No. 1 or Grade "A."—This sugar shall be clean, pure maple sugar made from No. 1 or Grade "A" syrup.

No. 2 or Grade "B."—This sugar shall be clean, pure maple sugar made from No. 2 or Grade "B" syrup.

No. 3 or Grade "C."—This sugar shall be clean, pure maple sugar made from No. 3 or Grade "C" syrup.

MARKETING

Manufacturers supply the farmers with metal drums, in the late autumn or early spring of the year, for shipment of their commercial grade syrup to the factories. There the syrup is evaporated to maple sugar and marketed as Block Maple Sugar. Usually it is made to meet the specifications of the purchaser from different amounts of No. 1, No. 2, and No. 3 graded maple syrup. Block Maple Sugar is used by various manufacturers for flavouring purposes where uniformity and high quality are essential.

Farm-made maple sugars in the United States are almost entirely of Fancy grades and are very largely sold by the farmers at retail, by mail and through personal contact. The price received by the farmer for Fancy grade maple sugar is approximately 35 to 40 cents per pound as compared with a wholesale price of about 12½ cents per pound for the sugar content of No. 2 commercial grade maple syrup.

PRICES OF MAPLE SUGAR AND MAPLE SYRUP

The following table shows the average prices received by the producers of maple sugar and maple syrup in the United States from 1929 to 1934:—

Year	Maple Sugar Cents per Pound	Maple Syrup Dollars per Gallon
1929	30.0	2.03
1930	30.1	2.03
1931	25.7	1.72
1932	24.5	1.51
1933	20.8	1.18
1934	24.7	1.33

It is estimated by producers of maple syrup in the state of Vermont that the 1936 price of Fancy syrup in 1-gallon tins will average about \$2 per tin. Fancy sugar will average from \$2.50 to \$2.75 per 10-pound pail. No. 1 maple syrup in 1-gallon containers will average from \$1.45 to \$2 per tin. The No. 1 sugar will probably sell at from \$2 to \$3 per 10-pound pail.

It is believed that if this year's crop is light the prices will be about the same as those that prevailed in 1934. However, if the crop this year is large, there will probably be a drop in prices, with no premium paid for Fancy syrup.

IMPORTS OF MAPLE SUGAR AND MAPLE SYRUP

Imports of maple sugar and maple syrup from Canada are necessary in order to fill the consumption demands of the United States market. The amount of Canadian maple sugar and maple syrup imported into the United States averaged 4,143,487 pounds for the years 1930 to 1935, the details of these years being as follows:—

United States Imports from Canada of Maple Sugar and Maple Syrup

Year	Pounds	Value
1930	7,354,819	\$1,354,401
1931	2,697,249	498,353
1932	3,409,578	605,016
1933	2,718,953	405,734
1934	4,292,427	571,891
1935*	4,387,896	486,394

* Preliminary figures.

The six-year average is 4,143,487 pounds valued at \$653,631.50.

The large imports of maple sugar and maple syrup for 1930 occurred while the revision of the United States tariff was under consideration and just before the increased duty provided in the Tariff Act of 1930 became effective. As a result of these large increases in 1930, the imports for the years 1931, 1932, and 1933 were considerably smaller, as there was an accumulation of stocks and it took several years to absorb this oversupply. However, inventories are normal again, and imports for 1934 and 1935 increased to about 4,000,000 pounds for each of these years.

COMMERCIAL PRODUCTS

The Canadian imports do not affect the United States "breakfast table" except as they appear in blended syrups (15 per cent to 20 per cent maple blended with 85 per cent to 80 per cent cane sugar). These blended syrups do not displace domestic maple syrup but rather make available to a large number of families a table syrup which they could not otherwise obtain.

SUPPLIES FROM CANADA

The Canadian maple sugar and maple syrup do not enter the retail trade to any appreciable extent. It is almost entirely a commercial product, sold at wholesale to manufacturers of various products, who use it primarily for flavouring purposes, to blenders, and to manufacturers of commercial flavourings.

The United States imports a large amount of what is known as Farmer's Run Beauce County Bag Maple Sugar. This sugar is made by the farmers in the Beauce district of the province of Quebec without any regard for the grade of syrup used. It is irregular in colour and flavour and is packed and sold in burlap bags. Because of its peculiar flavour it is required by blenders and to a certain extent by manufacturing confectioners. It cannot be satisfactorily replaced by any other type of maple sugar produced in the United States.

The competition between imports from Canada and the domestic maple products lies exclusively in the commercial grades No. 1, No. 2, and No. 3, and chiefly in the two lower grades, No. 2 and No. 3, and so far as Canada is concerned consists largely of Block Maple Sugar manufactured from these grades of syrup according to the individual specifications of the purchaser. The United States farmer will sell these grades as maple syrup at from 11 cents to 13½ cents per pound of sugar content as compared with the retail price of 35 to 40 cents per pound of sugar content.

THE UNITED STATES TARIFF RATE

Under the Canada-United States Trade Agreement, effective January 1, 1936, the United States tariff on maple sugar has been reduced from 6 cents per pound to 4 cents per pound. The United States tariff on maple syrup was left unchanged at 4 cents per pound. An imperial gallon of maple syrup weighs 13.2 pounds and is the equivalent of 9.6 pounds of maple sugar.

CONDITIONS IN JAMAICA IN 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

I

Kingston, Jamaica, March 13, 1936.—An improvement in Jamaica's trade over the abnormally low level of 1933—which was due to hurricanes in that and the preceding year—took place in 1934 and was much more marked in 1935, when total values of both imports and domestic exports were the highest since 1930. These were, respectively, during the year under review, £5,009,906 and £3,691,494: as compared with 1934, imports increased in 1935 by £232,837

and exports by £623,461. The increases in 1935 over 1933 were, respectively, £642,063 and £1,294,392. Unfortunately, however, banana cultivations were considerably damaged in September and October last by high winds raised by hurricanes passing some distance out to sea. As this industry is the principal source of Jamaica's national income, business in general has received a setback, and it appears unlikely that 1936 will be quite so good a year as was 1935, even should no further damage from bad weather occur during the summer and autumn of the present year. Fields have been replanted and recovery is now almost complete.

GOVERNMENT FINANCES

Collections of public revenue (especially of import duties) during the present fiscal year, which will close on March 31, have exceeded those of 1934-35, and also the estimate for 1935-36; but the Government has been obliged to spend a considerable sum of money for repairing damage done by storms to roads and other public property, and also for providing the state-owned railway with certain necessary equipment. Therefore, only a small surplus of revenue over expenditure will be carried forward as at April 1, 1936.

Jamaica's public debt having been greatly reduced during the past few years, the Government plans to borrow up to £2,000,000, to be spent on various public improvements. Last November two laws were passed for this purpose, and the Secretary of State for the Colonies has authorized the borrowing of up to £500,000 by way of a beginning. Last month the Government placed £100,000 on the local market, the issue to be at par and bearing interest at 3 per cent per annum; subscriptions totalled £150,000, and the surplus will be allotted to subsequent issues. It is possible that further blocks of stock will be issued in the island later on.

The Government has in hand a number of domestic matters in which action is considered desirable—e.g., agricultural development; land settlement; irrigation; relief of unemployment; improvement of public health; education and municipal services (including slum clearance and better water supplies); public transport; development of the tourist trade; and the creation of a hurricane insurance fund for the benefit of the banana industry. Expenditures for some of these will be met out of the new loans. The tourist traffic was considerably greater in 1935 than in any preceding year for which records are available, and 1936 will show a further increase because the present season, now about ended, has broken all records—due largely to the diversion of traffic from the Mediterranean in consequence of the Italo-Ethiopian war.

BUSINESS FAILURES

In 1935 the number of bankruptcies and the estimated ensuing loss were much below the figures for 1934; the loss was the lowest since 1932. In the year under review there were fewer complaints filed, fewer judgment summonses made, and fewer levy and commitment warrants issued than in 1934; the figures under all these heads were considerably less in 1935 than in 1932. In the past few years the average amount of loss per business failure has tended downwards. Slowness in meeting their obligations is still noticeable among the smaller traders, but the business structure of Jamaica remains generally sound.

IMPORT TRADE

The following table shows that the value of imports into Jamaica was substantially greater in 1935 than in 1934:—

Total Imports into Jamaica (C.I.F. Values)

From	1934	Per Cent	1935	Per Cent
United Kingdom	£1,809,917	39.2	£1,954,897	40.3
Canada	734,825	16.0	794,177	16.4
Other British Empire countries	648,153	14.0	727,027	15.0
United States	847,289	18.3	879,932	18.1
Japan	205,519	4.4	83,107	1.7
Other foreign countries	375,931	8.1	415,674	8.5
Total	£4,621,634	100.0	£4,854,814	100.0
Parcels post	155,435		155,092	
Grand total	£4,777,069		£5,009,906	

As in former years, imports by parcels post have not been taken into account in calculating the percentages shown above, since such imports are not classified by countries in the Jamaican customs returns; but there is little if any consequent effect upon the percentages. Figures obtained from the Jamaican Post Office show that in 1934 a total of 97,521 parcels was imported, valued at £155,435, of which the United Kingdom supplied 47,776 parcels (£102,922); the United States, 40,984 (£39,938); Canada, 5,279 (£11,004); the Panama Canal Zone, 2,481 (£913); and other countries, 1,001 (£658). In 1935 the total was 94,310 parcels valued at £155,092, of which the United Kingdom was credited with 46,448 (£105,206); the United States and the Panama Canal Zone with 41,286 (£37,405); Canada with 5,606 (£11,923); and other countries with 970 (£558).

The total value of Jamaica's import trade was greater in 1935 than in any year since 1930. The principal reason for the increase over 1934 is that heavy exports of bananas were made during the first nine months of 1935, this industry, which is Jamaica's chief economic mainstay, having recovered from the effects of hurricanes in November, 1932, and October, 1933. Unfortunately, bad weather again brought a setback in September and October, 1935. For the increase mentioned above the threat of a European war that existed last summer and autumn, in connection with the Italian campaign against Ethiopia, may have been responsible in some degree: imports were heavy during the latter half of the year, due no doubt to a feeling of uncertainty as to the future course of commodity prices, with the result that abnormally large stocks of goods are still held in bond in the Kingston warehouses.

IMPORTS BY COUNTRIES

The value of imports from Canada, and Canada's percentage of Jamaica's total import trade, were somewhat greater in 1935 than in 1934. The United States gained in value but lost in percentage; the United Kingdom gained in both; so did foreign countries other than the United States and Japan, and the last-named country lost heavily in both respects because of quotas imposed in June, 1934, upon imports of all foreign textiles and also because of the additional tariff preferences granted by Jamaica at that time upon apparel, boots and shoes of British Empire origin. Canada has a share of the trade in these three items. British Empire countries supplied 71.7 per cent of Jamaica's total import requirements during 1935. The percentage in 1934 was 69.2; in 1933, 69.6; in 1932, 69.5; in 1931, 60.5; in 1930, 58.8; and in 1929, 62.4.

IMPORTS OF FLOUR

Imports of English flour, mainly of "counter" grade for household use, but some approaching Canadian baking flour in quality, amounted to slightly more than one-quarter of Jamaica's total requirements of this commodity during 1935 as compared with over one-third during the preceding year; but in 1935

there were considerable imports of flour from Australia, and the English and Australian supplies taken together represented more than one-third of the island's flour trade. Canada's share was about 62 per cent during the year under review. The following table showing imports of flour into Jamaica, in bags of 196 pounds, during the past five calendar years is of interest:—

Imports of Flour into Jamaica

From	1931	1932	1933	1934	1935
Canada	311,687	285,966	324,167	260,827	235,762
United Kingdom	745	73,775	120,864	136,814	103,909
Australia . . . . .	.....	.....	.....	275	34,807
France . . . . .	.....	.....	.....	2,576	8,688
United States	30,712	7,373	1,613	1,181	4,960
Germany . . . . .	.....	.....	.....	.....	930
Other countries	25	.....	.....	502	3
Total	343,169	367,114	446,644	402,175	409,059

OTHER COMMODITIES IMPORTED

Nearly all the articles in considerable demand were imported in larger quantities, representing in most cases greater values, in 1935 than in 1934. The chief items showing such increases were: apparel; beef, salt and fresh; beer; butter substitutes; cheese; confectionery; cotton piece-goods; fish (canned); fish (dried, salted); fish (i.e. pickled herring); flour; gasolene; glassware; ham; hardware; iron, galvanized; lard and its substitutes; machinery, agricultural; manures; meat (canned); medicines and drugs; motor cars and trucks; fuel oil; kerosene oil; paper; rice; salt; leaf tobacco; and wooden hoops and shooks.

Increases were noteworthy in the case of the following items: confectionery by 122,240 pounds; cotton piece-goods by 5,908,015 yards; canned fish by 258,953 pounds; dried salted fish by 2,187,082 pounds; gasolene by 951,793 gallons; galvanized iron for roofing by £18,559; agricultural machinery by £36,040 in value; manures by 1,199 long tons; motor cars by 217 in number; rice by 9,224,637 pounds; salt by 1,578,024 pounds; and potable spirits by 13,765 gallons.

Decreases occurred in the imports of pickled alewives by 199,300 pounds; bags and sacks for packing island produce by 76,771 in number; boots and shoes by 57,685 dozen pairs, due chiefly to heavy purchasing by local merchants in former years; butter by 38,507 pounds; cement by 23,957 barrels; coal by 1,537 long tons; condensed milk by 142,615 pounds; corn by 974,947 pounds; lumber by 3,566,717 feet; matches by 25,104 gross boxes; painters' colours and materials by 61,826 pounds; pickled pork by 494,608 pounds; laundry soap by 1,017,008 pounds; silk manufactures by £5,791 in value; tires for motor cars by 2,030 in number; parcels post by 3,211 in number of parcels; and Jamaica Government imports by £60,806 in value. The decline in imports of matches and laundry soap is due to the local manufacture of these commodities. The average annual consumption of matches in Jamaica is in round figures 150,000 gross boxes; and of laundry soap, 7,500,000 pounds.

Imports by the Jamaica Government, consisting of supplies for the various public departments and embracing a wide range of goods, were valued in 1935 at £218,737 c.i.f., of which shipments to the value of £176,859 came from the United Kingdom, £27,375 from the United States, £7,466 from Canada, and £7,037 from other countries. In 1934 their total value was £279,543, of which the United Kingdom supplied to the extent of £235,095; the United States, £38,041; Canada, £4,974; and other countries, £1,433.

The number of ships using the port of Kingston was 1,320 in 1935 as compared with 1,198 in 1934.

EXPORT TRADE

Jamaica's domestic exports in 1935 totalled £3,691,494 in f.o.b. value as against £3,068,033 in 1934 and £2,397,102 in 1933. The upward trend is largely due to the recovery of the banana industry from hurricane damage. As in the case of the import trade, the 1935 total export figure is the highest reached since 1930. Below is shown the distribution of the island's exports (f.o.b. values) during 1934 and 1935:—

To	1934	Per Cent	1935	Per Cent
United Kingdom	£1,680,350	55.0	£2,070,366	56.2
Canada	903,616	29.6	1,033,778	28.1
Other British Empire countries	40,479	1.3	45,613	1.3
United States	281,345	9.2	327,849	8.9
Other foreign countries	148,442	4.9	202,967	5.5
Total	£3,054,232	100.0	£3,680,573	100.0
Parcels post, all countries ..	13,801		10,921	
Total domestic	£3,068,033		£3,691,494	
Re-exports	151,039		147,439	
Grand total	£3,219,072		£3,838,933	

British Empire countries took 85.6 per cent of the colony's domestic exports in 1935 and 85.9 per cent in 1934; the percentage in 1933 was 85.1. Canada's percentage (29.6) in 1934 is the highest recorded since the beginning of the present century and almost certainly the highest ever recorded. Canada has purchased largely of Jamaican bananas and sugar during the past two years.

As the year under review was one of general recovery (which, however, received a temporary setback from hurricanes in September and October last), it is not surprising to note that except for essential oils, grapefruit, and pimento, every one of Jamaica's agricultural crops showed an increased export in 1935 (as to quantity) over the 1934 figures. Especially noteworthy were the increases in bananas and sugar, the first and second most valuable items of export. Of the former, shipments totalled 20,379,326 stems in 1935 as against 15,974,906 stems in 1934; the latter was shipped in 1935 in the total quantity of 68,939 long tons as compared with 54,227 tons in the preceding year. It should be mentioned, however, that during the period the export trade on the whole was below normal.

LONDON MARKET FOR CARBON BLACK

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, March 6, 1936.—Carbon gas black is used in large quantities in Great Britain, and practically all the demand is met by imported supplies. In 1935 some 364,000 cwts. (of 112 pounds) were imported; the quantities were slightly greater in 1933 and 1934, being respectively 379,800 cwts. and 385,000 cwts. The complete statement of imports, based on preliminary trade returns, is as follows:—

From	1933		1934		1935	
	Cwts.	£	Cwts.	£	Cwts.	£
British countries	6,340	17,476	7,947	22,517	9,250	25,894
United States	357,470	385,969	361,398	515,881	337,470	502,334
Other foreign countries	16,044	18,853	15,695	20,812	17,940	20,688
Total	379,854	422,298	385,040	559,210	364,660	548,916

These figures indicate the important position which the United States holds in this trade. Canada is the chief Empire producer of carbon black, and most of that shown as originating in Empire countries is in fact from Canada. The type of carbon black imported from the Dominion, however, is believed to be almost mainly acetylene black, which is of higher quality and price than that

normally supplied from other countries. For example, if the trade returns are taken as giving an accurate indication, based on the declared c.i.f. values, the average price of Canadian carbon black in 1935 was £2 15s. 11d. per cwt., whereas that of the United States product was only £1 9s. 9d. Other countries shipping this product to Great Britain are Germany, Holland, and Belgium, but the quantities are small.

MARKET OPPORTUNITIES

Gas black is used in many industries, among which the rubber and printing ink trades are probably the largest. Black imported from the United States has been used for many years in the United Kingdom and is of the type and quality required. There is, however, a definite opportunity for an Empire gas black, and a good trade could be developed if a suitable product were available at a competitive price. There have recently been a number of inquiries from London traders and importers who have expressed the opinion that, in view of the extensive natural gas deposits in Western Canada, there should be a possibility for the production and export of gas black.

At the present time the quoted price to consumers for United States carbon black ranges from 3 $\frac{3}{4}$ d. per pound to 4 $\frac{7}{16}$ d. delivered to the buyer's warehouse in London. This price also includes the customs duty of 10 per cent which is applicable to foreign-produced carbon black. Canadian black would enter the United Kingdom free of duty and would therefore have an immediate advantage to this extent.

STANDARDS REQUIRED

There are various standards of requirements for carbon black according to the particular trade being catered to. The rubber industry is probably the largest user, and usually specifies that oily material is not to exceed 0.5 per cent, and that after ignition the residual ash is not to exceed 0.5 per cent. The moisture on drying at 100° Centigrade for two hours should not be in excess of 3 per cent. There is also a test for fineness which requires that not more than 0.01 per cent of gritty material shall be retained on a 90-mesh sieve. For the printing ink trade the requirements are more rigid, and a finer mesh test would probably be essential. Moreover, it is possible that certain trades would object to the presence of any substantial quantities of other foreign materials such as sulphur, but this would necessarily be a matter of arrangement.

PACKING

Carbon black is usually imported into the United Kingdom from the United States in four principal sizes of wooden cases containing 150, 187, 225, and 312 $\frac{1}{2}$ pounds respectively. The black is packed first in paper bags weighing 12 $\frac{1}{2}$ pounds, and these in turn are placed in wooden cases. The cases are all the same size, so that obviously the black in the different weights of cases is subject to varying degrees of compression. The 150-pound and 312 $\frac{1}{2}$ -pound cases are in greatest demand. In the case of the former the compression is least, so that this weight is most suitable for the printing ink trade, which requires that the black remain fluffy. On the other hand, the rubber industry usually takes the heavier case, the hardness resulting from greater compression not being a deterrent to their trade.

PRICES

The present delivered London prices per pound are as follows: 150-pound cases, 4 $\frac{1}{16}$ d.; 187-pound cases, 4 $\frac{9}{32}$ d.; 225-pound cases, 4 $\frac{3}{16}$ d.; and 312 $\frac{1}{2}$ -pound cases, 3 $\frac{3}{4}$ d.

Interested Canadian firms are requested to submit samples with analyses and c.i.f. London prices to the Canadian Trade Commissioner, London.

BRITISH INDUSTRIES FAIR (BIRMINGHAM), 1936

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, March 12, 1936.—The Birmingham section of the British Industries Fair was this year held simultaneously with the London sections from February 17 to 28 inclusive. The experiment tried in 1935 of holding the Engineering and Hardware sections in Birmingham independently of and at a later date than the Textile and General exhibits in London did not prove satisfactory. The change made necessary a duplication of organization and clerical work which was far from justified by the results. Indeed, as the following attendance figures will show, there was a decided reduction in the number of visitors last year:—

	1934	1935	1936
Number of overseas buyers	1,807	2,424	2,764
Number of trade buyers	86,244	85,996	103,476
General public admissions	36,127	29,024	37,543
Total attendance	124,178	117,444	143,783

SOME ASPECTS OF THE FAIR

The Birmingham section of the British Industries Fair is organized and managed by the Birmingham Chamber of Commerce and not, as is the case with the sections at Olympia and White City, London, by the Department of Overseas Trade. The fair is held at Castle Bromwich, just outside the city of Birmingham, and the exhibits cover an area of 528,382 square feet, the indoor space being 289,411 square feet, or nearly 25,000 square feet larger than in 1935. There were this year 982 exhibits, with a stand frontage of over eleven miles, all under one roof.

Outside the great exhibition hall there were a number of exhibits dealing chiefly with roadway construction, structural materials, and traction machinery. A length of pavement, known as the Fairway, was used to demonstrate the various types of modern roadways, including rubber and steel, and the latest lighting equipment and traffic signalling apparatus.

The fair this year was divided into five distinct trade groups, namely, Hardware, Building, Gas, Electricity, and Engineering, and, as previously, exhibits which did not come strictly within a trade group, but which were of an allied character, were brought into proximity to one another. In this way gas and electric cooking and heating appliances, while in separate groups, were side by side and more easily located.

In the Hardware section were domestic articles, ornamental metal goods, hollow-ware and brassfoundry goods, laundry machines, guns and rifles, plantation and workmen's tools, springs, scales, lawn mowers, and many other types of equipment of this nature.

The Building and Heating groups included mantelpieces, fireplaces, heating and cooking appliances, baths, concrete, stonework, scaffolding, sanitary equipment, joinery, mouldings, woodworking equipment, wrought iron and art metal work, builders' hardware, restaurant and bar fittings, roofs and roofing materials, windows, window frames and doors, bricks, tiles, metal sheeting, painting and decorating materials.

Among the gas appliances were various types of furnaces, gas meters, illuminating equipment, a gas-making plant, as well as numerous domestic and industrial cookers and heaters. Of special popular interest was a demonstration of fine glass blowing, utilizing a gas-fired furnace.

The electrical industry offered evidence of enterprise and good organization in the display of industrial and domestic equipment of all kinds, as well as a wide range of illumination equipment. One attractive feature was designed

to illustrate the kaleidoscope lighting of a ball-room. By means of a special kind of electric valve many hundreds of coloured lamps were dimmed in a pre-arranged sequence, producing constantly changing colour effects. The valve could be operated by a microphone control which permitted the colour of the lighting to be governed by the pitch and volume of the music.

The Engineering section included machinery of all kinds—boilers, furnaces, and stoking plant; screening, crushing, and pulverizing equipment; conveyors, pipes, tubes, wire, sheet metals, and tinplates; ferrous and non-ferrous metals; transport equipment, road plant and material; diving equipment; gas masks for naval, military, civilian and industrial purposes, and various types of asbestos for fire-fighting equipment.

RESULTS

There was no doubt this year of the businesslike atmosphere which prevailed at the fair, and it is generally conceded that by comparison the fair is more amply fulfilling its role than at any time in the past. Although it is impossible to estimate the value of the exhibition on the basis of orders actually placed at the stands, exhibitors in the main have reported business to be satisfactory and a definite improvement on recent years.

Due to a return to the earlier date this year, trade in the Hardware group has been much better than last May, with even an improvement on 1934, when a record was set up for these industries. The bulk of this business has emanated from the home market, but inquiries from Empire countries hold out the promise of increased trade in this direction. There is now a vogue for stainless products, and some exhibitors expressed surprise at the exceptional demand for such goods.

With continued activity in the building trade, it is not surprising that that section, as well as the heating group, should record good business. The gas and electrical sections are reported to have done well, especially in regard to household appliances, for which there is a widely increasing demand.

Engineering products have been the subject of a substantial number of inquiries, with the result that further expansion of an already active industry is confidently anticipated. In view of the nature of some of the heavy and costly exhibits in this section, it is evident that actual orders will be placed only after mature consideration.

FOREIGN VISITORS

Buyers from sixty-four countries were represented at the fair (including the Olympia section), many of whom visited the Birmingham section. Holland sent the largest representation, followed by Germany and Belgium. France, Denmark, Switzerland, the United States, Norway, Sweden, Poland, Czechoslovakia, and Spain were among the other countries from which there were buyers. Among British Commonwealth countries, the largest number of visitors was from the Irish Free State, followed by Canada, India, South Africa, and Australia. Canada and Australia were the largest Empire buyers at the Engineering section. Railways engineers from both these countries ordered electric coal-recording apparatus.

CANADIAN SECTION

As usual, the Canadian Government section, arranged by the Exhibition Commission, was one of the most attractive at the fair, and this year occupied a much more prominent position, with frontages on three main aisles, and adjacent to the main inquiry bureau in the centre of the hall. Grouped around a central information desk were the Dominion Government exhibits of Canadian minerals and timber, and individual stands occupied by United Kingdom representatives of Canadian firms. In connection with timber, an attractive display was arranged in co-operation with the British Columbia Timber Commissioner and

the Timber Commissioner for Eastern Canada. The Canadian firms and organizations represented were:—

Andrews Wire Works of Canada Ltd., Watford, Ont.—"Androck" kitchenware and wire goods.

Beatty Bros. Ltd., Fergus, Ont.—Electric washing and ironing machines, and home laundry appliances.

Canada Spool and Bobbin Co., Ltd., Walkerton, Ont.—Enamelled handles and wood turnings.

Canada Wood Specialty Co., Ltd., Orillia, Ont.—Handles, dowels, and other woodenware.

W. H. Colt (London) Ltd., Bush House, Strand, London, W.C.2.—Canadian cedarwood tiles.

P. & F. Corbin, Belleville, Ont.—Builders' hardware, including locks, springs, bolts, latches, etc.

General Steel Wares Ltd., Toronto, Ont.—Ice refrigerators.

Gutta Percha and Rubber Ltd., Toronto, Ont.—Mechanical rubber goods, rubber footwear, matting, hose, etc.

International Fibre Board Ltd., Ottawa, Ont.—"Ten-Test" fibreboard.

McFarlane Manufacturing Co., Ltd., Toronto, Ont.—Woodenware.

Standard Handle and Pattern Co., Fenelon Falls, Ont.—Enamelled handles and wood turnings.

Thor-Canadian Co., Ltd., Toronto, Ont.—Electric washing and ironing machines and home laundry appliances.

Vancouver Broom and Handle Manufacturers, Vancouver, B.C.—Broom and mop handles.

Toronto Industrial Commission, Toronto, Ont.

Canadian National Exhibition, Toronto, Ont.

INQUIRIES

In addition to the large number of specific inquiries handled by the individual exhibitors, the Canadian Government officials in attendance furnished information for hundreds of inquiries of a general nature, and recorded more than one hundred indicating a definite interest in Canadian products. These inquiries covered England, Scotland, Wales, Northern Ireland, Irish Free State, South Africa, Netherlands, Poland, Scandinavia, and Austria. Thousands of pamphlets, circulars, and folders were distributed from the Canadian Government stand.

On February 24 the Canadian High Commissioner, the Hon. Vincent Massey, and Mrs. Massey visited the Canadian section, and spent some time in conversation with each exhibitor. Official visits were also paid by the Lord Mayor and Sheriff of London, the Lord Mayor of Birmingham, and the Right Hon. L. S. Amery, M.P.

A copy of the official catalogue of the fair, together with copies of the catalogue of the Canadian industrial section, are on file at the Department of Trade and Commerce, Ottawa, and may be consulted on application.

TRADE AND ECONOMIC CONDITIONS IN AUSTRALIA IN 1935

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(The Australian £ is equal to approximately \$4 Canadian at current rates)

Melbourne, February 18, 1936.—During the year under review conditions in practically all classes of trade in Australia, both domestic and foreign, continued to show the marked signs of improvement noted in 1934.

Despite fluctuating conditions overseas in respect of the products of Australia's most important primary industries—on the prosperity or otherwise of which her secondary industries depend so much—the year's record indicates a further consolidation of her position in both Empire and foreign markets. The continued improvement in world prices for the chief export commodities—in particular wool, wheat, and dairy products—gave a stimulus to domestic trade, which was reflected in practically all commercial and financial reports covering the year 1935.

In addition to the healthy reaction due to increased primary prices and to other factors, the Commonwealth Government has made continuous efforts to ameliorate trading conditions through tariff adjustments and assistance to producers in the several States of the Commonwealth, the aim being to achieve a balance between primary and secondary production.

In a recent analysis of Commonwealth conditions made by the Department of Trade and Customs, figures were published which illustrate graphically the improvement since 1932:—

	1932	1934	1935
Unemployment Per cent	30	.....	13.7
Factory employment Number	337,000	.....	451,000
Gross primary production £	199,000,000	233,000,000	.....
Secondary production £	111,000,000	129,000,000	.....
Building (capitals) £	4,000,000	.....	17,500,000
Savings bank deposits increased by £22,000,000 between 1932 and 1934.			

IMPROVEMENT IN COMPANY EARNINGS

The annual analysis of company earnings provides an excellent guide to conditions during the year. Of the 286 companies reviewed (excluding primary producers), profits increased by approximately £1,500,000 (Australian) or 14 per cent as compared to an improvement of 18 per cent in 1934. On the other hand, drought and lower wool prices in the earlier part of the year seriously reduced profits of pastoralists and wool brokers, while low interest rates reduced earnings of financial houses to an average of approximately 3½ per cent on shareholders' funds.

The yield and improvement per cent in the main groups analysed were as follows: —

	1934 £	1935 £	Yield Per Cent*		Improvement £ Per Cent	
Finance (39)	1,978,390	2,050,320	3.4	3.5	71,930	4
Services (47)	3,391,100	3,468,880	6.4	6.5	77,780	2
Consumers' goods—						
Manufacturers (63)	3,415,860	3,554,850	7.0	7.2	138,990	4
Distributors (49)	1,113,140	1,741,620	4.5	6.8	628,480	56
Constructional (54)	784,510	1,356,080	4.2	7.0	571,570	73
Primary (34)	1,443,710	739,610	3.9	2.0	-704,100	-49
Total (286)	12,126,710	12,911,360	5.0	5.3	784,650	6.5

* Stated in relation to tangible shareholders' funds. — Decrease.

Profits from public service organizations remained steady throughout the year, though price reductions, designed to increase the demand, were responsible for slight decreases in the yield of gas and electricity companies. Shipping, newspaper publishing, and transportation organizations, and the Commonwealth Sugar Refining Company all showed increases, while non-essential services such as amusement, hotel and taxi companies recorded satisfactory increases in earnings.

CONSUMPTION GOODS

Manufacturers of consumption goods—which include cereals, confectionery, canning, paper and tobacco—all showed a definite improvement. Though a reduction is noted in the profits of rubber manufacturers, in no case did profits fall below the level of 1933.

PRIMARY PRODUCTION

WOOL

Of more immediate interest is the position of the chief primary products. The spectacular improvement in the wool situation undoubtedly affected practically all other branches of trade and commerce. The quantity handled and sold (3,209,776 bales) constituted a record. The returns for the year amounted to £47,259,195 (Australian currency), and the major portion of sales were

effected at rising prices well above production costs in comparison with the disastrous collapse of 1934 when prices were below, or barely equal to, cost of production. The value of this important crop to Australia is indicated by the figures for the past five years, which were as follows:—

Year	Bales	Money Realized
1931	2,603,549	£30,201,288
1932	2,809,286	30,703,941
1933	3,065,792	46,604,329
1934	2,279,163	38,319,957
1935	3,209,776	47,259,195

The above figures refer only to wool actually sold in Australia. To include wool sent direct to London for sale it is necessary to add 10 per cent.

As an indication of the improvement effected it should be stated that, while the cost of production is slightly under 10d. per pound, prices improved from 10·14d. per pound in April to an average of 14·38d. per pound in December. The market was remarkably firm at the close of the year.

WHEAT

The wheat harvest for the Commonwealth season 1934-35 was 134,000,000 bushels compared with 175,000,000 bushels for the previous season. The new season opened with a carry-over of 30,000,000 bushels which, allowing for domestic requirements of approximately 50,000,000 bushels, left 114,000,000 bushels for export as wheat or flour.

The quantity of wheat and wheat equivalent of flour exported during the crop year period to December 1, 1935, was 104,243,000 bushels compared with 95,598,000 bushels for the previous season.. Season 1935-36 thus opened with stocks of less than 10,000,000 bushels, the smallest carry-over for many years. Practically the whole of this carry-over was held by flour millers.

Of wheat shipments from Australia last season, the United Kingdom took approximately 37 per cent, China 22 per cent, Japan 20 per cent, and other countries 21 per cent. Of shipments in terms of flour, the United Kingdom took 16 per cent, Manchukuo 22 per cent, Netherlands East Indies 12 per cent, British Malaya 9 per cent, Hongkong 8·5 per cent, Egypt 5 per cent, and the Philippines, the Sudan, and India together 27·5 per cent.

Prices at the beginning of the crop year were approximately 2s. 5½d. per bushel, ex truck at loading ports, with gradual rises during the year until a peak of 3s. 10½d. a bushel was registered on October 1, the highest price for several years, the season ending on December 1 at approximately 3s. 4d. per bushel.

The chief factor responsible for the upward trend during the year was the general improvement in the statistical position of the main wheat exporting countries, and the firming influence on the market due to the uncertainty created by the European political situation.

COMMONWEALTH AID TO THE WHEAT INDUSTRY

Following the publication of the report of the Commonwealth Royal Commission appointed to inquire into the wheat industry during the season under review, a recommendation was made in favour of a compulsory pool system and the introduction of a Commonwealth marketing system. A conference took place at Canberra early in October between representatives of the Commonwealth Government, State Governments and the Wheat Growers' Association, and a plan to provide for a home consumption price of 4s. 9d. per bushel f.a.q., f.o.r. seaboard, was approved. The necessary legislation was passed through the Legislatures of Queensland, New South Wales, and Victoria. By the end of November, however, it was evident that the plan could not be in operation in time to affect the new harvest, and the flour tax therefore, which

was to have been automatically lifted early in January, was extended to February 25.

During the past season, the Commonwealth Government made available £4,000,000 for assistance to wheat growers, part of this amount being obtained from the proceeds of a sales tax on flour.

Under the Wheat Growers' Relief Act, 1934, payment was made of 3s. an acre sown to wheat, and in addition, under the Wheat Bounty Act, a payment was made of 3d. a bushel on wheat harvested or sold on or before October 31, 1935, provided it was produced in the season 1934-35. A further sum of £573,250 was distributed to farmers who were in necessitous circumstances.

BUTTER

During the 1934-35 dairying season, the Commonwealth dairy production reached a new high figure; and there were record shipments of butter to the United Kingdom (Australia's chief distributing centre).

The prosperity of the dairy industry was due in large part to the protective legislation under the Dairy Products Act, with its associated Commonwealth measure, assuring under the equalization scheme, a price considerably above export parity. Although the weekly average price of Australian butter in London was the lowest of any season since the beginning of the depression, Australian butter factories were able to pay their suppliers nearly 2d. a pound more for butter fat than in the previous season.

Favourable seasons were experienced in the main dairying States of the Commonwealth. Exports of butter totalled 118,084 tons, an increase of 8,770 tons on the previous record of 1933-34.

Queensland was the premier exporter to the United Kingdom with 44,006 tons, Victoria shipped 36,157 tons, New South Wales 24,287 tons, South Australia 2,883 tons, Tasmania 2,363 tons, and Western Australia 1,017 tons. Prices on the London market varied for choicest salted "Kangaroo" from 70s. per cwt. to the peak value for the season of 91s. per cwt., the closing rate being 87s. and the average weekly price for the season 75s. 6d. as against 78s. in 1933-34.

During the year under review several administrative changes were introduced. The chief factor in maintaining values in London was the new policy of withholding from immediate shipment a percentage of the peak production. By spreading monthly arrivals this practice served to stabilize prices materially. Arrangements were also made at the conclusion of the season for co-operation between the Australian Dairy Control Board and the corresponding organization in New Zealand in formulating a schedule of arrivals in London, the new scheme to operate during the forthcoming export season.

CHEESE

There was a marked increase in the amount of cheese exported in the 1934-35 season, the quantity (7,346 tons) constituting a record. The bulk was absorbed by the United Kingdom, and there were steady sales to the Near and Far East.

Prices of best Australian cheese in the season under review ranged from 42s. to 46s., the market rising to 53s. during a limited period at the beginning. Shipments from the several States for the last three seasons were as follows:—

	1932-33 Season Tons	1933-34 Season Tons	1934-35 Season Tons
Victoria	1,282	392	1,493
New South Wales	61	239	849
Queensland	2,838	2,916	3,441
South Australia	756	349	1,307
Western Australia . . . . .	...	...	...
Tasmania	90	52	256
Total	5,207	3,948	7,346

MEAT PRODUCTION

During the year under review, discussions were held in London between the Commonwealth Prime Minister and United Kingdom officials, with a view to the adjustment of various matters concerned with meat imports, particularly chilled and frozen beef. As a result of these discussions, Australian exports of beef advanced from 56,000 tons to 83,000 tons, of which chilled beef (in competition with Argentina), amounted to 12,000 tons as compared with 2,750 tons in 1934. In mutton and lamb, the 1935 shipments to the United Kingdom were approximately 88,000 tons as compared with 74,000 tons in 1934.

MINING

GOLD

Production of gold in Australia in 1935 showed an increase of nearly 21,000 ounces compared with that of the previous year. Strikes and labour disturbances in Western Australia, and shortage of water in certain districts in Queensland, tended to curtail operation. A number of treatment plants come into operation, particularly in Victoria, during the year under review, and the leading mines in New South Wales also showed substantially greater output and more economic handling.

The average price of gold in sterling in 1935 was about £7 2s. 1½d. per ounce compared with £6 17s. 7¼d. in 1934. Production in Australia during the year was valued at approximately £6,455,000, an equivalent return in Australian funds of approximately £8,068,000. A comparison of production of gold in Australia in the last three years is as follows:—

	1933 Ounces	1934 Ounces	1935 Ounces
Western Australia	637,207	651,348	644,875
Queensland	87,595	112,261	105,461
Victoria	58,183	70,196	87,517
South Australia	6,361	6,870	4,841
New South Wales	29,252	36,123	47,706
Tasmania	6,673	5,622	7,973
Other	700	1,150	1,500
Total	825,971	887,490	899,873

BASE METALS

Australian producers of base metals in 1935 enjoyed a more satisfactory year than in 1934, as a result of the larger consuming demand throughout the world for silver, lead, zinc, copper, and tin. This demand reflected better world trading conditions, more particularly in the United States and Great Britain. All producing companies in Australia report satisfactory progress, while an important feature, following the improved market for lead and zinc, was the recent announcement by the Electrolytic Zinc Corporation of Australia that it proposed to resume work at its properties on the west coast of Tasmania. The mines and plant in this area were ready for the commencing of large-scale production in 1930, when operations were postponed.

Ore reserves in these mines are estimated at 1,400,000 tons of average grade.

WINE INDUSTRY

During the year under review, production of wines throughout the Commonwealth totalled 16,085,000 gallons, of which exports amounted to 3,394,593 gallons, and domestic consumption to approximately 3,000,000 gallons. Distillation and the production of commercial alcohols accounted for the balance. A steady improvement is reported in the quality and selection of wines for export,

and an increased demand, particularly from the United Kingdom and Canada, is reported.

Domestic consumption at the present time amounts to only half a gallon per capita per annum.

BANKING SITUATION

The growing demand for bank loans, giving evidence of the continued recovery in business opportunities, was a feature of the 1935 returns. Advances expanded by £16,000,000, three times greater than in either 1934 or 1933. Further evidence of business revival is shown in the growth of deposits of current accounts, which have increased by 30 per cent—£77,000,000 to £102,000,000—the since the height of the depression in 1931.

The inflation of Australian currency and other forces of recovery appear to have been utilized by the banking system in a satisfactory manner; the trading banks in particular are in a sound financial position. At the beginning of the year under review, when banks were faced with increased demands for finance for recovery purposes, a heavy reduction in the 1934-35 wool returns seriously depleted their resources, while at the same time a large aggregate of overseas funds was repatriated by overseas firms who had maintained balances in Australia after the exchange rate had risen, awaiting a favourable opportunity to transfer these funds to more productive uses.

Besides affecting the funds of the trading banks in Australia, this movement undoubtedly depleted the Commonwealth Bank's reserve in London. With the rapid recovery, however, total deposits at £290,000,000 by the end of 1935 showed a recovery to within £2,000,000 of the previous year, with advances for industrial and other purposes showing an increase from £248,000,000 to £261,000,000.

The Commonwealth Bank has emerged from the depression with increased prestige as a Central Bank, maintaining stability in the exchange rate for the past four years. The savings banks in Australia play an important part in the money market, and are perhaps the most sensitive barometers of conditions. Statistics show that seven persons in every ten have a savings bank account, the average of which is £40. Total funds on deposit in public savings banks at the end of 1935 were £232,000,000, of which the Commonwealth Savings Bank held £136,000,000, the State Savings Bank of Victoria £68,000,000, the State Savings Bank of South Australia £23,000,000, and the Trustee Banks of Tasmania £5,000,000.

AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Melbourne, February 25, 1936.—Wheat and flour shipments from Australia for the period from December 1 to the week ending February 19 amounted to 26,605,901 bushels of wheat as against 26,810,719 bushels for the corresponding period of the previous year. The strong market which characterized the new year's opening has fallen away, and trading during the latter half of January was stagnant, with an even more dull period developing during February when a definite weakness was reflected in the market. The reduced purchases of European countries is causing some concern to the wheat trade, as buyers are displaying no interest in Australian wheat.

WHEAT

Prices at the middle of February had moved downward to about 3s. 1d. per bushel Australian currency at country sidings, equivalent to 61 cents Canadian, and f.o.b. steamer about 3s. 8d., equivalent to 72 cents Canadian. This represents a decline of about 2s. per quarter from the quotations ruling at the middle

of January. The farmers, however, have been unwilling to sell at the lower prices and are holding the balance of their wheat in the expectation of higher prices. A slightly better demand is now in evidence, and prices have firmed fractionally without attracting sellers.

Shipments from Australia since December 1 have been quite heavy, a further considerable tonnage being committed for shipment, and the uncommitted balance is relatively small. Of a total exportable surplus for the current season amounting to 2,250,000 tons, 1,110,000 tons have already been shipped or committed for shipment, and since the beginning of December 85,000 tons of flour, equivalent to 110,000 tons of wheat, have been shipped, which leaves only slightly more than 1,000,000 tons to be cleared during the remainder of the season, without allowing for any carry-over into the next crop year beginning December 1, 1936.

PRODUCTION AND PRICES

Deliveries of new wheat at country sidings are nearly completed, and it now appears that the total crop will be close to expectations, the trade estimate being approximately 135,000,000 bushels. With the exception of some bleached grain in Victoria, the result of heavy rains at harvest time, the quality is generally excellent, and the sample is the best for some years past. The standard weight per bushel for fair average quality (f.a.q.) has been fixed at 63½ pounds in Western Australia, 64 pounds in New South Wales, and 63½ pounds in South Australia, the f.a.q. for Victoria being fixed at 63½ pounds, the highest for forty-two years. There are indications that the present level of prices, which has been substantially higher for some years past, is proving remunerative to the wheat growers, and it is anticipated that there will be a considerable increase in acreage during the next crop year. This increase may amount to 20 or 25 per cent on the present acreage, which was somewhat reduced, and in a good year would add materially to the total output from Australia.

FLOUR

The export flour market has continued uneventful during the past month, and the outlook is not encouraging. There have been fair sales of flour for February and March shipments to Dairen, the greater portion of which are from Victoria, amounting in all to about 11,000 tons, which has kept the mills going for a period, but the March bookings are light. Other flour markets are taking limited quantities only, and the export quotations have weakened to £7 12s. 6d., equivalent to \$30.24 Canadian, per ton of 2,000 pounds, packed in 49-pound sacks, and £7 7s. 6d. per ton in 150-pound bags, equivalent to \$29.25 Canadian, the local price for flour being £9 5s.

In this connection it may be noted that the flour tax is being removed on February 25, the Federal Ministry apparently being of the opinion that a continuance of the present tax, which has been very unpopular, would be both unnecessary and undesirable in view of the increased buoyancy of the public revenue and improved conditions generally.

CHARTERING

There has been little chartering effected during recent weeks, as it would appear that shippers are not disposed to enter into further commitments until the opportunity occurs to actually sell wheat cargoes. Shipments of Australian wheat are going forward freely and will continue to do so up to the end of April, although few commitments have been entered into for shipment beyond that date.

Freights are being fixed at the minimum schedule rates established in October last, and which are again tabulated as a matter of interest:—

	Bags s.	Bulk s. d.	To
New South Wales	27	24 6	United Kingdom
	15	13 6	Orient
South Australia/Victoria	28	25 6	United Kingdom
	17	15 6	Orient
Western Australia	27	24 6	United Kingdom
	16	14 6	Orient

Freights are payable in English currency on the basis of 2,240 pounds to the ton.

COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

Unemployment Recovery in Australia

Sydney, February 27, 1936.—The unemployment figures just released by the Commonwealth Statistician are the most encouraging for the past five years, since they show that the percentage of unemployed trade unionists in the fourth quarter of last year was lower than at any time since 1930. In 1932 unemployment reached a peak of 30 per cent. Last November it had decreased to 13·7 per cent, the lowest since the corresponding period in 1929, when it was 13·1 per cent.

The extent of the return to normal conditions is shown by the fact that factory employment has almost recovered to the pre-depression level. Recovery is general throughout the Commonwealth and is most marked in the secondary industries. The building trades have shown a marked advance, and in some branches skilled mechanics are difficult to obtain.

Sydney Wool Sales

The Sydney wool sales will practically terminate on March 5. They are closing under very favourable circumstances from a seller's point of view, partly owing to the fact that supplies are less plentiful than was anticipated some months ago. By the above date the turnover will be well over 1,000,000 bales, and it will be the eleventh year in which the Sydney sales have topped the million mark. The total sold last season was 1,223,645 bales, and the estimated offerings of 1,123,000 bales for this season in Sydney, announced by the authorities last June, are likely to be close to the final total.

Prices of wool sold in the Sydney market this week showed an advance of 5 per cent on the prices ruling a fortnight ago. Compared with September 2, when the current season's sales opened, the market is now from 7½ per cent to 10 per cent higher for spinners' fleece, 12½ per cent higher for top-making fleece, and from 10 to 15 per cent higher for skirtings. Yorkshire competition for spinners' wools has been particularly keen during the last few weeks. Purchases were made in good volume for the North American market, and Australian millmen are very active. Japanese purchasing of top-making lines was also keen. French and German manufacturers operated freely, competition being more widely distributed than at any previous part of the season.

A series of sales may be held from April 27 to 30, with final clearing up auctions in June.

MARKET FOR SHINGLES IN SOUTH AFRICA

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, February 27, 1936.—Although the total white population of South Africa is comparatively small, this country, especially the coast cities, offers an ever-increasing market for Canadian exporters of cedar shingles. Statistics for the year 1935 will not be available until June of this year, but imports for 1929, 1931, 1933, and 1934 were as follows:—

	1929	1931	1933	1934
Canada	£ 945	£ 267	£565	£2,267
United States	1,330	977	406	2,042
Total	£2,275	£1,244	£971	£4,309

Until recently architects were reluctant to specify shingles for roofing purposes. During 1934, however, a few prominent architects began to recommend their use, and as the building law in the majority of cities prohibits their use on any building situated less than 20 feet from the lot boundary, it follows that the majority of homes for which they have been specified are of the better type. In fact most of the homes with shingle roofs to-day probably have a valuation of over \$15,000. As this class of home was the first in which use of shingles was adopted, an excellent effect has been created, altogether apart from the pleasing appearance of shingled as compared with red tiled roofs. There have probably been more roofs shingled during 1935 in Cape Town than during any two previous years. The greatest difficulty is still the scarcity of skilled workmen.

GRADES REQUIRED

The best grade of red cedar shingles, as recommended by the Canadian Lumber Delegation to this country, No. 1 Perfection, 18 inches long, 5 butts to 2½ inches, is being used, and it is strongly urged that Canadian exporters of shingles supply nothing but this grade to South Africa.

There is already evidence that lumber agents, in an effort to obtain orders, are quoting merchants on lower grades with the object of securing the business in competition with other agents quoting on No. 1 Perfection. Whereas in 1933 only one merchant was stocking red cedar shingles, to-day they are being stocked by at least three merchants. The latter, in addition to stocking the shingles, find that it is necessary to also quote for laying them. This means that the merchant is obliged to train workmen and keep them available. Two firms at least are known to share the services of three or four men who have made a specialty of shingle roofs. A third firm, specializing in roofing materials in general, are carrying shingles along with many other kinds of roofing, and have their own skilled workmen to lay the shingles.

SALES OPPORTUNITIES

There was completed in Cape Town last year the largest shingle job in South Africa—a huge two-storeyed apartment house in three sections, the roofing of which would be considered a large contract even in Canada. This is excellent publicity for the use of shingles, and will no doubt result in increased sales.

Johannesburg is experiencing a building boom, but owing to the heavy freight rate from the coast, the cost of shingles in that city is rendered almost prohibitive. However, this activity is spreading to the coast cities, where during 1936 there will probably be more building than ever before.

Canada is granted a 10-per-cent preference on shingles entering the Union. Whereas the United States was previously the main source of supply, the market is now almost entirely in the hands of Canadian exporters.

AFRICAN FLOUR MARKETS: A CORRECTION

In the report on the above subject in last week's issue of the *Commercial Intelligence Journal*, page 523, line 12, under the sub-heading of South Africa, the price of South African flour to the millers was erroneously stated to be fixed at 22s. 6d. per bag of 200 pounds; this is the price of domestic wheat to the millers.

MARKET FOR HOSIERY IN THE EASTERN GROUP OF THE BRITISH WEST INDIES AND BRITISH GUIANA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Port of Spain, March 19, 1936.—There is a considerable market for ladies', men's and children's hosiery in these colonies. A rough approximation places the value of the total imports of hosiery of all kinds at \$227,000 for the calendar year 1934. There is no domestic production, and, as the above figures indicate, hosiery is an important item in the import trade of the colonies.

PRINCIPAL SOURCES OF SUPPLY

The largest volume is in ladies' and men's cheap artificial silk hosiery, which comes mainly from the United Kingdom and Hongkong. The sale of cheap cotton hosiery, which is supplied by the United Kingdom and Hongkong, is next in importance. However, due to the very low-priced artificial silk ladies' hosiery now available, this demand is steadily diminishing and the sale is confined to the lowest price ranges. Both cheap artificial silk and cotton hosiery were formerly imported from the United States and Japan; but substantial increases in the import tariffs have diverted this trade to Empire sources of supply. The better grades of both men's and ladies' artificial silk hosiery and pure silk hosiery are supplied by Canadian firms. In the case of the higher-priced lines of ladies' artificial silk hosiery, the demand is not large as the retail price is only slightly lower than the cheaper full-fashioned lines which are preferred.

CANADIAN COMPETITION

The shape, texture and appearance of Canadian pure silk and artificial silk hosiery makes a definite appeal to the trade. Contrary to the general low price trend, the sale of these better-class items from the Dominion is slowly increasing, particularly in Trinidad, Barbados, and British Guiana, the larger colonies. The better-class children's hosiery and anklets are also purchased from Canada. The attractive colours and designs of this type of Canadian hose have enabled it to gain a controlling share of the business.

Quotations submitted by Canadian manufacturers on cheap artificial silk hosiery have not been competitive up to the present. In order to increase Canada's share of the hosiery trade to any considerable extent, it is essential that part of the cheap artificial silk trade in both ladies' and men's hosiery be obtained. Climatic conditions confine the sale of woollen hosiery to small proportions, the requirements of the market being furnished by United Kingdom exporters. In all lines of hosiery, with the exception of pure silk and the better-class artificial silk grades, buyers are eager to take advantage of any lower quotations applying on sub-standard grades and job lots. They will accept a fair quantity of seconds, or will waive inspection on volume orders, thus admitting, to secure a lower price, a limited amount of defective hosiery.

LADIES' HOSIERY

It is estimated that at least 50 per cent of the total imports is made up of ladies' artificial silk, pure silk, and cotton hosiery. The largest seller is artificial silk hose ranging from 200 to 300 needling. Prices on this hosiery are from 5s. to 12s. per dozen f.o.b. United Kingdom ports. The highest volume of sales is in the cheaper-priced lines, which are generally job lots. Formerly a large percentage of the ladies' hosiery sold was composed of cotton and was supplied by United States firms who frequently shipped seconds, thirds, and even fourths to these markets. Although the demand is declining in the larger colonies, there is a sale for the very low-priced cotton lines in the smaller islands. This trade is now secured by Hongkong: prices for ladies' cotton hosiery from this source range from 2s. 6d. to 3s. per dozen c.i.f. Trinidad.

For many years Canadian manufacturers have obtained the bulk of the business in ladies' pure-thread silk hosiery. Quotations range from \$5.75 to \$11 per dozen f.o.b. Requirements are in general similar to those in Canada; there is little or no sale of substandards or defectives in this quality trade. Approximately 60 per cent of all the ladies' silk hosiery sold is priced at around \$6 per dozen f.o.b., 35 per cent at \$6.50, and the remaining 5 per cent at higher prices.

There is an equal demand for sheer chiffons and service weights up to 8-thread. The most popular chiffons are 4-thread 42-gauge; 3-thread 45-gauge; and 2-thread 45-gauge. Service weights are sold in both cotton and lisle garter tops; silk tops are preferred in the chiffon numbers.

The East Indian women have small feet, and in British Guiana and Trinidad, where a large percentage of the population is of that origin, there is a demand for smaller sizes. In an order of 12 dozen the proportion of sizes would be as follows: size 8, $2\frac{3}{4}$ dozen; size $8\frac{1}{2}$, 4 dozen; size 9, 3 dozen; size $9\frac{1}{2}$, 2 dozen; and size 10, $\frac{1}{4}$ dozen.

MEN'S HOSIERY

The best sellers in men's hosiery are cheap artificial silk and cotton lines. As is the case in ladies' hosiery, Canada supplies the better grades of lisle and artificial silk at prices from \$1.75 per dozen and up f.o.b. Canadian ports. Cheap artificial silk hosiery from Hongkong is priced at from 3s. to 5s. per dozen c.i.f. Trinidad, and cotton hosiery at from 1s. 6d. to 3s. 6d. per dozen c.i.f. Sizes in men's hose include 9's, $9\frac{1}{2}$'s, 10's, $10\frac{1}{2}$'s, 11's, and $11\frac{1}{2}$'s; there is only a limited sale for the largest size. There is a small sale of the better-quality silk and light-weight cotton hose, which is supplied chiefly from Canada.

CHILDREN'S HOSIERY

There is a regular demand for children's hosiery, half-hose, three-quarter hose, and anklets, and these are purchased chiefly from the United Kingdom with the more expensive articles coming from Canada. This type of hose is composed of cotton, and cotton and rayon; usually plain colours such as black, pink, white, blue, champagne, and cream are demanded. As a rule the socks are made with contrasting colour tops in straight design with the sizes ranging from 5 to 10. Cheap cotton children's hosiery from the United Kingdom is quoted at from 2s. 9d. to 5s. per dozen, while Canadian lines are priced from \$1.35 f.o.b.

SOURCES OF IMPORTS

The chief commercial colonies—Trinidad, Barbados, and British Guiana—listed imports of artificial silk, cotton, silk and woollen hosiery under separate headings during calendar year 1934. Formerly these were not always segregated in the customs returns. It is therefore difficult to provide a basis of comparison

between the imports of these items in 1934 and those of any previous year. The figures for the calendar year 1934 will, however, give an indication of the extent of the market and sources of supply.

The following table shows the value and quantity of imports of artificial silk, cotton, silk, and woollen hosiery into Trinidad, Barbados, and British Guiana in the calendar year 1934 from the principal sources of supply:—

	Trinidad		Barbados		British Guiana	
	Doz. Pairs	£	Doz. Pairs	£	Doz. Pairs	\$
<i>Artificial Silk Hosiery—</i>						
Total	28,328	10,203	9,289	5,573	19,058	27,902
United Kingdom	18,573	7,044	6,803	4,082	11,779	18,267
Hongkong	6,645	1,524	1,365	819	5,906	5,856
Canada	2,875	1,450	1,019	611	1,075	2,931
<i>Cotton Hosiery—</i>						
Total	25,973	5,069	9,076	4,084	13,508	14,293
United Kingdom	3,992	1,336	3,903	1,756	4,805	6,719
Hongkong	20,646	3,112	3,858	1,737	7,988	6,270
Canada	1,308	611	1,248	561	554	1,135
<i>Silk Hosiery—</i>						
Total	2,430	2,658	1,419	2,341	761	4,975
Canada	1,924	2,313	1,140	1,880	582	3,910
United Kingdom	485	318	273	451	178	1,060
<i>Woollen Hosiery—</i>						
Total	728	456	....	158	872	2,130
United Kingdom	728	456	....	158	872	2,130

LEEWARD AND WINDWARD ISLANDS

Imports of cotton and artificial silk hosiery into the colony of the Leeward Islands were valued at £1,974 in 1934. As was the case in the larger colonies, these imports were mainly forthcoming from the United Kingdom (£1,026), Canada (£461), and Hongkong (£448). Silk hosiery imports in the same year amounted to £261, Canada being credited with £171, and the United Kingdom, with £86. Hosiery of all kinds imported into the colony of the Windward Islands was valued at £2,671 in 1934.

METHODS OF DISTRIBUTION

Practically all the leading brands of hosiery from the United Kingdom and Canada are offered for sale in these markets, and as a result competition is very keen. Considerable sums are expended annually in display, newspaper, and cinema advertising, and in this way sales have been built up for certain brands. The margin of profit for manufacturers is so low that great care must be exercised in choosing the best advertising outlets.

The majority of exporters work through local agents who receive commissions ranging from 2½ per cent on the cheaper lines to 10 per cent on the more expensive numbers. It is generally advisable to allow the agent to use his discretion in the choice of advertising, although Canadian exporters should periodically check the value of their advertising mediums through the office of the Canadian Trade Commissioner in Trinidad.

BRANDED PRODUCTS

The choice of retail outlets is small in comparison with the number of brands being offered, and there has been a tendency recently to confine exclusive brands to the larger stores. The merchants naturally push exclusive brands but in addition they must stock other brands for which a demand has been created. Several agents and retail dealers have registered brand names, under which they sell other wearing apparel in addition to hosiery.

Manufacturers are extremely reluctant to supply hosiery to agents or dealers under any other than their Canadian and United Kingdom brands. However, there is a definite saving in advertising costs as the dealers or agents continually draw their own brand name to the attention of consumers. It is essential that the manufacturer, through his agent, stipulate that although a certain brand will be confined exclusively to a retail dealer, the right is reserved to sell other brands to the trade. Care should also be exercised in selling to various smaller accounts where there is a danger of price-cutting, as this antagonizes the better-class stores who refuse to purchase from a manufacturer pursuing this policy.

PACKING AND TERMS

Attractive and modern packing definitely stimulates sales. Where possible, bright colours should be used as these are very popular with the native and East Indian population. Recently several dealers have requested quotations on labels and boxes of their own design. Very few agents guarantee accounts, and on that account orders submitted should be carefully scrutinized by exporters.

The usual terms in these markets are net 30 to 60 days D.O.A., or 2 per cent sight. The larger dealers generally take advantage of the discount for payment on sight. Exporters can grant these terms with confidence to reliable dealers. Where any doubt arises, cash in Canada before shipment should be stipulated. In order to save collection charges, several of the larger firms prefer to do business direct with foreign exporters rather than through the banks.

IMPORT TARIFF

The rates of duty listed hereunder apply on hosiery imported into Trinidad, Barbados, and British Guiana:—

Trinidad—	British Preferential Tariff	General Tariff
Hosiery:		
(a) Cotton	20c. per doz. prs.	\$2.00 per doz. prs.
(b) Silk:		
(i) Artificial	30c. per doz. prs.	\$2.10 per doz. prs.
(ii) Natural	\$1.20 per doz. prs.	\$4.00 per doz. prs.
(c) Wool	10% ad val.	20% ad val.
A surtax of 15 per cent is charged on woollen hosiery. This surtax does not apply to cotton, artificial silk, and silk hosiery.		
Barbados—		
Apparel—		
(a) Hosiery (socks and stockings):		
(i) Of a first cost not exceeding 1s. 6d. per pair	1d. per pr.	10d. per pr.
(ii) Of a first cost exceeding 1s. 6d. per pair and not exceeding 2s. per pair	3d. per pr.	1s. per pr.
(iii) Of a first cost exceeding 2s. per pair	6d. per pr.	1s. 3d. per pr.
(b) Other kinds	10% ad val.	20% ad val.
Plus a surtax of 10% of the duty charged.		
British Guiana—		
Apparel:		
(I) Hosiery (socks and stockings):		
(i) Cotton	10%	10% plus 12c. per pr. or 30% (whichever is greater)
(ii) Artificial silk	16½%	16½% plus 12c. per pr. or 33½% (whichever is greater)
(iii) Silk	16½%	16½% plus 18c. per pr. or 33½% (whichever is greater)
(iv) Woollen	16½%	33½%
Plus a bill of entry tax of 3 per cent.		

Hosiery from Empire sources of supply is accorded British preferential tariff rates.

NETHERLANDS COMMODITY MARKETS IN 1935

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

III

(One kilo equals 2.2 pounds; one metric ton equals 2,205 pounds; one florin or guilder equals Can.\$0.402 at par and approximately \$0.67 at the current rate of exchange.)

PAPER AND PAPER PRODUCTS

Imports of newsprint into the Netherlands are small in comparison with the consumption. One large domestic producer supplies approximately 80 per cent of the demand.

Imports of newsprint weighed 21,474 metric tons in 1935 and were valued at fl. 1,334,000. Germany was responsible for 8,839 tons, Finland for 5,488 tons, while there were smaller quantities from Norway and Sweden. On a per capita basis there is a heavy consumption of newsprint in the Netherlands. In many cases, however, the specifications and dimensions are not standard.

Writing and printing paper is embodied in the trade returns with cardboard for writing and printing purposes. This is subdivided into two headings, the first of which covers that manufactured from mechanical pulp. Total imports in 1935 were 11,614 metric tons valued at fl. 1,132,000. Germany supplied close to 80 per cent of the total. The second heading includes the same products, but free from mechanical pulp as a raw material. Total imports were 6,431 metric tons valued at fl. 1,103,000. Comparative figures for 1934 were 7,312 tons and fl. 1,378,000. As regards last year, 1,453 tons (fl. 321,000) were from Germany and 1,643 tons (fl. 323,000) from the United Kingdom, Norway and Finland being the other leading suppliers. The United States is credited with 113 tons valued at fl. 37,000, while there were also limited imports from Canada.

Other paper and paper products classifications include the following:—

Paperboard.—Total imports amounted to 6,686 tons (fl. 450,000). This trade is divided between Germany, Finland, and Sweden.

Wrapping Paper.—Total imports were 25,124 tons (fl. 2,509,000). Sweden was the principal supplier with 11,463 tons (fl. 1,061,000). Germany followed with 8,526 tons (fl. 877,000).

Duplex and Triplex Paper and Cardboard.—Total imports were 5,351 tons (fl. 514,000), most of which came from Czechoslovakia and Sweden.

Felt Paper.—There were 6,558 tons (fl. 420,000) of impregnated felt paper imported and 874 tons of non-impregnated paper. Other felt paper imports totalled 945 tons.

Asphalt Roofing Paper.—Total imports amounted to 380 metric tons, all of which was of German origin.

Wallpaper.—More wallpaper is now manufactured in the Netherlands than formerly. Total imports in 1935 weighed 5,003 tons (fl. 1,280,000). Germany was responsible for 3,873 tons (fl. 1,006,000). Belgium followed with 963 tons, while the United Kingdom was third with 129 tons. Canadian wallpaper has been sold in the Netherlands, but except in a few cases the styles and designs are unsuitable for Dutch taste. Prices are also high.

Other Paper Products.—Imports of so-called "luxury" paper, cartons, envelopes, and correspondence cards weighed 147 tons. Ninety tons came from Germany and 35 tons from the United Kingdom. Carbon paper imports weighed 103 tons, 57 coming from Germany and 24 from the United Kingdom. There were also 12 tons from Austria and smaller quantities from Belgium and the United States.

Efforts to introduce Canadian-made carbon have not been successful. Established brands, which are strongly entrenched and well advertised, make the introduction of new ones difficult.

Toilet paper imports totalled 896 tons, 882 tons coming from Germany. There were 293 tons of cellulose and similar paper imported in 1935 and 4,076 tons of non-specified paper and cardboard. There were also 3,535 tons (fl. 1,544,000) of non-specified paperware brought into the country, while non-specified printed matter weighed 1,415 tons (fl. 1,648,000). Canada contributed to the last-named item in a small way through lithographed pictures.

Except in a limited number of specified instances, paper and paper products are subject to quota restrictions when imported into the Netherlands.

NON-SPECIFIED FOODSTUFFS, TOBACCO, AND SPIRITS

SUGAR AND SUGAR PRODUCTS

Most of the ordinary white refined sugar used in the Netherlands is manufactured locally from beets. Imports of raw cane sugar in 1935 totalled 93,209 metric tons, Cuba and San Domingo being the leading sources of supply. Imports of refined white sugar weighed 19,551 tons and of bastard sugar 3,800 tons. Of the latter, 3,474 tons came from the United States. Formerly Canada was a small shipper of this type of sugar.

Imports of molasses and sugar syrup weighed 15,015 tons (fl. 517,000). About half of this was of Belgian origin, the remainder being divided between the United Kingdom, Roumania, Netherlands India, Cuba, and the United States. Maple sugar is unknown in the Netherlands, and, owing to the high excise and import duties, its successful introduction is problematical.

CONFECTIONERY

There are a limited number of confectionery specialties manufactured by internationally known producers, which are imported from such countries as the United Kingdom and the United States. The taxes imposed make their selling price to the consumer comparatively high, however, in their relationship to the domestic product, and the turnover is therefore exceedingly small. A small trade has been done by Canadian manufacturers, but this is handicapped by the price situation. There is a limited demand for chewing gum, which is met by local production and by imports in limited quantities.

TOBACCO

The per capita consumption of tobacco products in the Netherlands is high. Cigars are popular, and owing to their low price they are used extensively by all classes of the population. Tobacco grown in the Netherlands East Indian colonies is used as the principal raw material. There are sporadic imports of Canadian tobacco when it is competitive in price with American Burley. The volume, however, is small, and efforts to increase the sale of the Canadian product have not met with success, as the trade does not regard it as favourably on a quality basis as tobacco from competing countries.

Import statistics classify Dutch Indian leaf tobacco under three headings—Sumatra, Java, and Borneo. Imports of the first-named were 1,768 tons, and of the second, 10,103 tons; the last-named was unimportant with only 1 ton.

American leaf tobacco is classified under a number of different headings, imports of each of which in 1935, in metric tons, were as follows: Seedleaf, 115 tons; Maryland, 1,170 tons; Kentucky, 2,287 tons; Virginia, 2,956 tons; Cuban, 467 tons; Brazil, 3,226 tons; and Paraguay, 284 tons.

European tobacco, other than Turkish, in the leaf, was imported as follows in 1935: Bulgarian, 651 tons; Grecian, 2,181 tons; and non-specified, 480 tons.

Imports of Turkish tobacco weighed 649 tons, while there were also small imports from Northern Africa and Manilla.

All of the foregoing were used for the manufacture of cigarettes and cut tobacco. The use of cigarettes is increasing, while pipe smoking is not so popular as in other countries. Cut pipe tobacco of excellent quality is blended and packed in the Netherlands. Cigar imports are unimportant, the total in 1935 being 639,000 units. Practically all of these would be from Cuba.

Cigarette imports in 1935 were 362,144,000. Of this quantity 201,143,000 were from Egypt and 92,118,000 from the United States. Included in the latter are several well-known and nationally advertised brands.

SPIRITS

The so-called Dutch gin is the principal spirituous beverage used in the Netherlands; the demand for others is not great. Most of the standard brands of Scotch whisky are obtainable, while Canadian rye is also sold. Wine is imported from Spain, Italy, Greece, and France. There is no market for Canadian beer.

OTHER FOODSTUFFS

It may be generally stated that a market exists in the Netherlands for any foodstuff specialty which is attractively offered, has a utilitarian value, and is reasonable in price. Anything with a sugar content is handicapped owing to the imposition of excise duties on such products.

CANNED SALMON

The importation of canned salmon went up from 2,291 tons in 1934 to 2,722 tons in 1935. Imports of this commodity from the principal countries of origin during the two years were as follows:—

	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Belgium	43	6	79	14
United Kingdom	258	59	167	47
Japan	1,047	186	1,749	300
United States	657	215	683	218
Total	2,291	509	2,722	588

In the Netherlands market the demand is principally for pink salmon, with price the governing factor. Up to about six years ago the United States and Canada were the only countries supplying canned salmon to the Dutch market. Now, however, price competition from Japan has given that country a predominant position. There is still a limited demand for Canadian sockeye and red salmon. The turnover, however, is negligible in comparison with that of the cheaper grades.

OTHER CANNED FISH

Pilchard imports weighed 1,034 tons in 1935, with 853 tons coming from the United States and 113 tons from Japan. The importation of crab and lobster was 145 tons, the United Kingdom being credited with 48 tons and Japan with 54 tons. As is the case with salmon, the low-priced Japanese crab has almost displaced the more expensive Canadian lobster. There were only 4 tons of caviar imported. Meat extract in tins or other containers weighed 654 tons.

Apart from the articles mentioned above, there are a large number of other packet foodstuffs of foreign origin sold in Holland. These include such articles as coffee and cheese straws from the United States and biscuits and preserves from the United Kingdom.

MOTOR VEHICLES

PASSENGER CARS

One large United States automobile manufacturer with world-wide ramifications has an assembling plant in Amsterdam; otherwise there is no domestic production of automobiles. The number of cars in use in the Netherlands has increased steadily despite the depression. The last date for which exact figures are available is August 1, 1934, when passenger cars in operation numbered 90,888. A preliminary statement regarding registration as on August 1, 1935, indicates that a slight retrogression has set in and that the curve has now begun to recede. The Netherlands trade statistics for the past year reflect these conditions in a slight decrease in imports. In 1935 the number of completed passenger cars imported was 9,793 (fl. 10,880,000) in comparison with 10,283 (fl. 12,292,000) during the preceding year. As regards last year's figures, 4,709 (fl. 5,345,000) were credited to Belgium, 2,342 (fl. 2,881,000) to the United States, and 1,255 (fl. 1,222,000) to Germany. France was fourth with 660, the United Kingdom fifth with 433, while there were smaller quantities from Czechoslovakia and Italy.

The prominent position occupied by Belgium is due to the location of assembling plants in Antwerp, where cars of American origin are put together for sale in different European countries, including the Netherlands.

TRACTORS

Imports of tractors rose from 292 in 1934 to 426 in 1935. The total value last year was fl. 558,000. Of this quantity, 220 (fl. 296,000) came from the United States and 101 (fl. 70,000) from the United Kingdom.

OTHER MOTOR VEHICLES

Imports of motor vehicles other than passenger cars totalled 305 in 1935 as against 312 in 1934. The respective values were fl. 357,000 and fl. 376,000. The principal item under this heading is trucks fitted with bodies. Belgium was credited with 125 (fl. 120,000); Germany, 47 (fl. 100,000); and the United States, 39 (fl. 38,000).

CHASSIS FOR PASSENGER CARS

The importation into the Netherlands of chassis for passenger cars is of comparatively small importance. The total number in 1935 was 224 (fl. 384,000). Comparative figures for the preceding period were 296 (fl. 508,000). As regards the former figures, Germany supplied 109 (fl. 235,000), while the United States was responsible for 48 (fl. 49,000).

CHASSIS FOR TRUCKS AND BUSES

Total imports under this heading amounted to 2,840 (fl. 3,116,000), which is a decrease from 3,993 (fl. 4,452,000) in the preceding year. The bulk of the total consists of truck chassis and to a lesser extent of bus chassis. In 1935, as in former years, the United States supplied the largest part of the imports, being credited with 6,687 (fl. 2,584,000) or about 80 per cent of the total. Germany and Belgium were the only other supplying countries of importance.

MOTOR CYCLES

While the importation of automobiles in 1935 declined when compared with the year before, there was an increase in motor cycles, the number rising from 3,030 (fl. 824,000) to 4,825 (fl. 1,027,000). As regards 1935, a total of 2,485 units (fl. 398,000) came from Germany, 1,450 (fl. 396,000) from the United Kingdom, and 445 (fl. 154,000) from the United States.

AUTOMOBILE PARTS AND ACCESSORIES

The United States dominates the market in automobile parts and accessories. A normal demand exists, particularly for the former. Canadian manufacturers are doing a small amount of business which could be extended if American and British competition could be met.

MISCELLANEOUS PRODUCTS

The final major group of the Netherlands statistics includes all those products—many of which are of a technical nature—which are not embodied in any of the preceding groups.

RADIOS

One of the first sub-headings is radio apparatus and accessories. No figures are available as to the exact number of radios in use in Holland; they are, however, extremely popular and the per capita ownership is high. The market is controlled by one large Dutch manufacturer who has the ownership of all the essential patents, which prevents foreign sets from being introduced except under licence, and these licences are granted to only a limited extent. On the other hand, there is a certain trade in parts of radios and radio apparatus.

Total imports of these in 1935 amounted to 3,323 metric tons (fl. 8,697,000). Germany was the principal supplier with 1,792 tons (fl. 3,751,000). The United Kingdom was in second place with 429 tons, followed by Belgium with 340 tons. Switzerland, Czechoslovakia, and the United States were the only other suppliers of importance.

ELECTRIC MOTORS, DYNAMOS, AND OTHER APPARATUS

The importation of generators and dynamos in 1935 amounted to 1,062 tons. About 30 per cent of this quantity came from Sweden, the balance being divided between Germany, the United States, and Great Britain.

Telephonic and telegraphic apparatus imports weighed 3,044 tons, with 1,605 tons from Germany, 529 tons from the United States, and 507 tons from the United Kingdom. Non-specified electric apparatus and instruments were imported in 1935 to the extent of 4,961 tons (fl. 5,110,000).

VACUUM CLEANERS

The importation of vacuum cleaners into the Netherlands is decreasing in the face of increased domestic production and the weakening of demand. Total imports in 1935 numbered 21,786 units as against 42,554 in the preceding period. The respective values were fl. 732,000 and fl. 1,786,000. Germany supplied 13,609 (fl. 351,000); the United Kingdom, 1,823 (fl. 152,000); and the United States, 3,583 (fl. 86,000). Sweden was responsible for 2,451 (fl. 132,000).

Vacuum cleaners were imported at one time from Canada. The business has since been diverted to the British subsidiary of the Canadian manufacturer.

TYPEWRITERS, CALCULATING MACHINES, ETC.

Imports of typewriters and parts in 1935 weighed 324 tons. The United States was in leading position among suppliers with 189 tons (fl. 559,000). The actual number of machines entering the country was 16,662, of which 9,695 came from the United States and 4,846 from Germany.

Imports of adding and calculating machines totalled 1,883 units, 1,301 coming from the United States. There were also 155 book-keeping machines imported, 125 of these being of American origin. Cash register imports totalled 953 tons, of which 563 came from the United States and 384 from Germany.

PIANOS, MUSICAL INSTRUMENTS, AND ACCESSORIES

There were 1,241 pianos imported in 1935. Of these, 810 came from Germany and 337 from the United Kingdom. Canadian-made pianos are too expensive to compete with the products of either of these countries, while they are also handicapped by the high trans-Atlantic freight charges with which European manufacturers do not have to contend.

Gramophones, phonographs and parts were imported to the extent of 193 tons (fl. 233,000). About one-half of the total was from Germany and the bulk of the remainder was divided between Great Britain, Japan, and Czechoslovakia. During the period under review there were 479,516 records (fl. 260,000) imported. Great Britain supplied 247,225 and 153,290 came from Germany.

AUTOMOBILE TIRES

The trend of automobile tire imports has moved down in sympathy with the decline in the importation of cars. There is a very small domestic industry but it is not strongly competitive. One large American manufacturer has recently established a branch in Netherlands India and is now advertising the products in the Netherlands as a "national" manufacture.

Tire casings decreased from 281,052 units in 1934 to 266,359 for the year being dealt with. The position of Canada as one of the leading suppliers remains practically unchanged as regards quantity, although the value contracted to a small extent. Particulars of imports from all the leading countries, with comparative figures for the year 1934, were as follows:—

	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Germany	31,393	515	37,240	610
Belgium	27,716	395	8,681	111
United Kingdom	42,001	678	52,206	785
France	10,836	220	14,741	247
Italy	15,754	313	14,391	205
Japan	1,228	14	3,310	33
Canada	32,047	548	32,655	505
United States	113,072	1,466	100,737	1,252
Total	281,052	4,226	266,359	3,779

INNER TUBES

Importation of inner tubes, as the subjoined figures will indicate, also registered a decrease. Only the Canadian position showed a slight improvement, although this was in regard to quantity, as the value remained stationary.

	1934		1935	
	M. Tons	Fl. 1,000	M. Tons	Fl. 1,000
Germany	22,222	54	25,316	57
Belgium	19,942	43	3,366	8
United Kingdom	45,002	113	47,487	102
France	10,085	29	15,584	38
Italy	15,467	42	9,948	20
Canada	7,038	16	8,667	16
United States	84,081	147	73,960	121
Total	209,856	453	188,422	369

OTHER RUBBER PRODUCTS

The number of motor cycle tire casings imported amounted to 9,818 units, while inner tubes came to 9,231. Bicycle tires and tubes were imported principally from Belgium, but only in small quantities. Domestic manufacturers supply 98 per cent of the market.

As a non-industrial country, the range of miscellaneous rubber products manufactured in the Netherlands is not great. Hot-water bottles and surgical and medicinal rubber goods are imported from Germany, Japan, the United

States, and Canada. The market is largely dependent on price, with both American and Canadian manufacturers offering good-quality articles which sell in small quantities, whereas producers in such countries as Japan offer low-priced, poor-quality goods which have the largest turnover.

AGRICULTURAL IMPLEMENTS

As regards agricultural implements, ploughs, harrows, and similar equipment for tillage purposes are manufactured in the Netherlands, principally on a small scale by local blacksmiths. On the other hand, there is no domestic production of mowers, reapers, seeders, and other more complicated types of machines.

PLOUGHS

In addition to those made in Holland, the import statistics for the year 1935 show an importation of 12,938 units (fl. 398,000). Germany supplied 10,483 and Belgium 1,786, the balance coming from France and the United Kingdom. The foregoing were horse-drawn. In addition there were 205 ploughs imported for haulage by tractors.

SEEDERS

The number of seeders imported in 1935 was 1,020, which was an increase from 542 in 1934. The respective values were fl. 129,000 and fl. 80,000. As regards last year's figure, Germany was credited with 669 and Czechoslovakia with 193.

BINDERS

Imports of binders totalled 772 in 1935 as against 911 in the preceding twelve months. The total value last year was fl. 381,000 as against fl. 363,000 in 1934. Germany supplied 284 (fl. 193,000); the United Kingdom, 87 (fl. 39,000); and France, 298 (fl. 110,000).

MOWERS

Statistics also show the importation of 2,932 mowers against 3,269 in 1934. Germany was responsible for nearly half of the total with 1,335; France for 571; Sweden, 393; Norway, 276; and the United Kingdom, 89.

HAY RAKES AND TEDDERS

The number of hay rakes and tedders which entered the country in 1935 was 1,227, which was a decrease from 1,403 in 1934. Germany was credited with 225 (fl. 23,000); 632 (fl. 82,000) were from the United Kingdom, while the balance was of French origin and amounted to 283 (fl. 19,000).

OTHER AGRICULTURAL TOOLS AND EQUIPMENT

Apart from the articles enumerated above there is a normal importation of other agricultural tools and equipment, most of which comes from Germany, with smaller additional quantities from Belgium, the United Kingdom, and Sweden.

As is the case with most imports into the Netherlands, price is the primary consideration with buyers, while European manufacturers, owing to their geographical proximity, are also in a favourable position in comparison with those who must ship from as far away as Canada or the United States.

OTHER PRODUCTS

Brushes for painting and other purposes are manufactured in the Netherlands, although there are also some imports. These weighed 687 tons in 1935 and were valued at fl. 507,000. Germany headed the list in regard to quantity

with 240 tons, Belgium was second with 337 tons, while Japan supplied 61 tons and Great Britain 20 tons. The value of the brushes from the United Kingdom was, however, in excess of that for the Japanese product. Canadian-made brushes are of too high quality and too expensive for the Dutch market.

Toy imports weighed 5,120 tons, about half of the total coming from Germany and the larger part of the balance from Japan.

The weight of pencil imports in 1935 was 178 tons, 93 tons coming from Germany. Fountain-pen imports weighed 19 tons, the United Kingdom supplying 8 tons and the United States 1 ton.

The market for razor blades is extremely competitive. Imports during the period under review weighed 95 tons and were valued at fl. 370,000. Germany was credited with 84 tons (fl. 291,000), the United Kingdom with 7 tons (fl. 67,000), Spain with 2 tons (fl. 2,000), and the United States with 1 ton (fl. 6,000).

MARKET FOR CODFISH IN CUBA

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Havana, March 6, 1936.—For many centuries dried fish has been a staple in the diet of Latin peoples. The demand for this type of fish was carried into Cuba by the Spanish, while the negro population of the island always has found it to be a most satisfactory part of the diet, and whenever possible purchased dried fish. Thus for many years nations producing various dried or salted fish have competed for the Cuban trade. During the present century Canada and Norway have been the predominant suppliers, the former during quite a number of years obtaining the bulk of the business. Latterly, however, the market has been somewhat divided into geographic areas, Norway serving the western provinces and Canada the eastern section of the island. During 1935 Iceland, which hitherto had supplied only small shipments of dried fish, obtained an important share of the market.

FACTORS AFFECTING THE MARKET

Despite the natural partiality for dried fish in Cuba, the volume of imports is materially affected by the buying power within the country. For some fifteen years Cuba has had depressed conditions, which were accentuated during the years 1931-33, inclusive, by political instability and continued falling markets for Cuban products, notably sugar, the returns from which are the mainstay of 80 per cent of the population. Some slight economic improvement was indicated in 1934, and further advances took place during the past calendar year. This betterment in conditions is due primarily to the trade treaty with the United States promulgated in August, 1934. Trade with the United States improved materially, while that with other countries was also bettered, although to a much smaller extent. Despite improved economic conditions in Cuba resulting from increased trade, the low prices of fresh fish in 1935 (these abound in great quantities in Cuban waters) adversely affected imports of codfish despite the lower prices of this commodity as compared with those of the previous year.

IMPORTS

The following figures issued by the Cuban Bureau of Statistics clearly reflect the low purchasing power within the country since 1931, during which year it was also at a low ebb compared with previous periods. Figures are available for the first six months only of 1935, but as the bulk of the codfish business is done during that part of the year, particularly in the January-March period, it is estimated in the trade that the total volume will be slightly in advance of the 1934 figures, when an increase of approximately 25 per cent in

volume and 100 per cent in price took place as compared with the previous year. As indicated, a decrease in prices took place during 1935.

Imports of Dry-salted, Smoked, and Otherwise Cured Codfish and Hake into Cuba during Calendar Years 1931 to 1934, Inclusive, and First Six Months of 1935

Country of Export	1931		1932		1933		1934		Jan.-June, 1935	
	Kilos	\$	Kilos	\$	Kilos	\$	Kilos	\$	Kilos	\$
Totals	8,233,062	1,132,523	5,556,442	524,797	4,490,413	411,888	4,674,649	585,123	4,214,107	511,330
Norway	5,046,013	635,739	3,927,215	350,957	3,071,428	286,374	2,746,170	327,614	2,725,183	314,582
Canada	2,139,933	332,779	1,080,467	117,070	1,180,989	101,143	1,531,414	208,553	1,190,183	157,221
United Kingdom ..	740,512	115,567	378,660	37,128	188,518	17,952	370,128	42,987	199,562	24,464
United States .. .	246,366	38,012	133,292	15,396	10,805	1,521	8,907	1,188	5,713	1,203
Germany	23,404	2,701	4,950	500	.....	.....	.....	.....	2,412	765
Spain	6,677	1,836	176	40	6,035	1,452	4,614	1,331	3,601	734
Sweden .. . . .	.....	.....	9,830	823	16,821	1,691	.....	.....	2,502	365
Denmark	3,591	1,436	8,560	1,799	3,514	724	9,483	3,001	77,558*	11,149

* Includes imports from Iceland.

MARKET REQUIREMENTS

HAVANA MARKET

There are two distinct markets in Cuba, each requiring different treatment for dried codfish. Up to the present time Canadian exporters have been successful in supplying the Oriente market in the eastern end of the island, while the Havana market, which serves the western provinces, is supplied by Norway and latterly, to a smaller extent, by Iceland and Scotland. As almost double the quantity of fish sold in Oriente is delivered each year to Havana, the latter is by far the most important outlet for codfish in Cuba. The Scandinavian exporters to Havana cater entirely to the market demand as to preparation of the codfish, which is white, without head, bones and inside lining, and thoroughly dry-cured to withstand the humid climate and heat. The necessary features in the preparation of codfish for Havana are proper dry-curing and the absence of black nape. There are several grades of these fish sold here, namely: Imperial, Superior, Regular, Inferior, Combined Superior and Regular, Ling Superior, Ling Regular, Perro Superior, Perro Regular, and Zarbo. The most popular grade is the Combined Superior and Regular, which is made up of one-half of each of the Superior and Regular grades. In lesser importance are Regular, Superior, Inferior, and Combined Ling Superior and Regular. The other grades usually are sold in insignificant quantities.

PACKING

The codfish sold on this market is packed in wooden cases of 45 kilograms net, usually containing about twenty fish per case for the largest size. The Norwegian cases are dove-tailed at the ends, but those from Scotland and Iceland are merely nailed together. Some of the Icelandic fish is also sold in bundles. The preparation of this fish is not as good as in the case of that from Norway, but prices have been considerably lower. The usual 45-kilogram (net weight) cases are 32½ inches in length, 21 inches in width, and 9½ inches in height, outside measurements. The boards are ⅝ of an inch thick for ends and ⅞ of an inch for sides, top, and bottom.

ORIENTE MARKET

Santiago, the second largest city in Cuba, is the import centre for the eastern part of Cuba. This market is served with codfish almost entirely from Canada and, to a lesser degree, Newfoundland. Codfish sold in the eastern Cuban market contains the black nape, is dry-cured (although to a lesser degree than

required in Havana), whole, without head and with most bones removed. As this market is not so particular as to curing and preparation as Havana, there is a wide diversity in qualities as compared with the Norwegian grades; nevertheless, some importers report that better quality and greater dry-curing than has been customary in the past is being demanded by retail buyers this year. Sales to this market are usually made in drums of 128 pounds net, although sales in cases of 100 pounds net have been made to a limited extent. The usual grades are Large or Prime, Medium, and Small, with the Medium grade obtaining the greatest sale. The bi-monthly direct steamship service maintained between Halifax and Santiago de Cuba by Messrs. Pickford & Black Steamship Company Limited assists Canadian exporters greatly in maintaining this market.

ICELANDIC COMPETITION

Prior to 1935 a very small quantity of codfish reached this market from Iceland. During the last year, however, an exporter from Reykjavik visited Cuba and was successful in obtaining a considerable volume of business, particularly in Havana. This Icelandic fish, while not quite so well prepared as that from Norway, has been sold both in bundles and cases at prices considerably lower than those offered from other countries. Although some dissatisfaction has been expressed with this fish in certain quarters, as to its preparation and appearance, the lower price has assured an important share of the market for Iceland and increased shipments are expected in 1936. Some Icelandic codfish is exported via Norwegian ports, but the bulk is shipped through Denmark, which country is shown as the country of origin for Icelandic shipments in the Cuban statistics. Up to the present time no direct shipments have been made or are likely until a material increased volume is assured.

PRICES

Price variations characterized the market during 1935, while the average for the year was somewhat lower than during 1934. Recent prices offered for 1936 in Havana by Norwegian and Icelandic exporters were as follows:—

Norwegian Codfish

Imperial	\$7.50	
Superior	6.75 to 7.20	(generally about \$7.00)
Regular	6.30 to 6.70	(mainly the latter price)
Inferior	6.00 to 6.30	(generally about \$6.20)
Combined Superior and Regular . .	6.50 to 6.95	(mainly about \$6.85)
Ling, Superior	6.75 to 7.00	
Ling, Regular	6.50 to 6.75	
Perro, Superior	5.00 to 5.50	(generally about \$5.50)
Perro, Regular	4.80 to 5.30	(generally the latter price)
Zarbo	5.00	

Icelandic Codfish

Grade	From Norway	From Denmark
Superior	\$7.00	\$6.50
Regular	6.70	6.20
Combined Superior and Regular in bundles . . .	....	5.50

All quotations are for cases of 45 kilograms net c.i.f. Havana.

Quotations in Santiago de Cuba for Canadian, Newfoundland, and Scotch codfish fluctuated greatly during the past year. Importers report variations from \$8.75 to \$6 for large, \$7.75 to \$5 for medium, and about 50 cents less for small. All quotations are for drums of 128 pounds net c.i.f. Santiago de Cuba. Prices from Newfoundland and Scotland have been generally lower than those from Canada, but the market prefers the Canadian product.

METHODS OF SALE

Generally sales are made through commission agents, although some of the larger import houses buy for their own account. Cash against documents is the most usual method of payment, but there is considerable variation from this in the trade, depending upon the purchaser. The usual discount allowed is 5 per cent for sight and delivery of goods at the port. All sales are c.i.f. Havana, Santiago, or other Cuban ports.

LOCAL PREFERENCES

Canadian codfish is generally preferred in the eastern part of Cuba, which is served by the port of Santiago de Cuba, but in the western part of the island the specialized requirements as to curing and preparation which are catered to by Norway and Iceland adversely affects Canadian sales at present, usually resulting in the imposition of a penalty of 50 cents on each grade, which almost precludes importations from Canada.

TARIFF DUTIES

Under the present tariff arrangements codfish remains an article of necessity until April 2, 1936; as such it enjoys the minimum tariff, which amounts to \$5.50 per 100 kilograms less 10 per cent for tare when packed in barrels or boxes and 2 per cent when sacked. This tariff is applicable to imports from all countries with the exception of the United States, shipments from which are assessed at the rate of \$4.125 per 100 kilograms. It is not considered likely in the trade that a change of tariff classification will be made after April 2, 1936.

PROSPECTS FOR INCREASED CANADIAN SALES

With the present low purchasing power of the country, the present prices obtaining for codfish place it almost in the class of luxuries for a large portion of the population. However, if the conditions in the country continue to improve during 1936, there is no doubt that the market will increase accordingly. Canadian exporters to the eastern end of the island will undoubtedly share in this improvement, but unless codfish is prepared in the method outlined for the Havana market, there is little likelihood that any worthwhile business will be done in the western part of Cuba, which from a sales standpoint is by far the most important. Canadian exporters desiring to extend their sales in the Cuban market should communicate with the Canadian Trade Commissioner at Havana, who is in a position to place them in touch with agents or importers in the Havana area who are desirous of entering into arrangements with Canadian firms offering a product suitable for this market.

ECONOMIC SITUATION IN ESTONIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One kroon is approximately equal to Can.\$0.272)

Hamburg, March 12, 1936.—Of the three Baltic states of Lithuania, Latvia, and Estonia, the last-mentioned alone has adopted a policy of controlled inflation and, largely as a result of doing so, has experienced a degree of recovery which has been commonly counted as substantial. The country is similar in many respects to both Lithuania and Latvia, its area of 18,358 square miles being comparable with those of the other two countries, its population of

WHEAT AND WHEAT FLOUR TRADE OF JAPAN IN 1935

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(One yen equals approximately 29 cents Canadian for both 1934 and 1935)

Tokyo, March 2, 1936.—According to the index numbers of the Bank of Japan for average monthly wholesale prices in Tokyo, the wheat market in Japan for 1935 showed considerable improvement. Quotations for local and foreign wheat for the current year, as compared with 1934, advanced by approximately 20 per cent. Production of wheat in Japan for 1935 amounted to 47,915,515 bushels, an increase of 2·2 per cent over the previous year and 32·4 per cent over the average for the past five years. The quantity of wheat produced in 1935 is estimated to be sufficient to meet the demands for home consumption, and the efforts of the Government are now being directed towards bringing about an improvement in quality. Imports of wheat for the period under review showed a quantitative decline, due chiefly to a reduction in imports from Canada and the United States.

As shown by official Japanese statistics, exports of wheat flour for the year continued to increase, and imports doubled. While there was a gradual decline in prices throughout 1934, a marked improvement took place in 1935, as shown by the following table of index numbers supplied by the Bank of Japan:—

Average Monthly Wholesale Prices of Wheat Flour in Tokyo

	1934	1935		1934	1935
January	181	183	July	159	175
February	186	201	August	167	202
March	186	206	September	174	232
April	185	203	October	178	239
May	184	193	November	178	233
June	180	172	December	176	236

WHEAT

Imports of wheat for 1935, as compared with those for 1934, declined by 9 per cent in quantity but increased by 6 per cent in value owing to higher prices. Those from Australia for the period under review increased by 24·8 per cent in quantity and by 40·4 per cent in value; from Argentina, by 254·8 per cent and 310·9 per cent respectively; and from other countries, chiefly Manchuria, due to small imports in 1934, there were increases of 43,585 per cent and 42,630 per cent respectively. Shipments from Canada, on the other hand, declined by 33·5 per cent in quantity and 22·9 per cent in value; from the United States, by 97·9 per cent and 97·1 per cent respectively; and from China, by 83·2 per cent and 82·2 per cent. American wheat imports were replaced by Australian wheat on account of higher quotations for the United States product. Japan's policy of exchange of products was in great measure responsible for increased imports from Argentina, and the large increase from Manchuria was due to the demand for Manchurian wheat to replace the shortage in shipments of Canadian wheat. The following table shows the imports of wheat into Japan for 1934 and 1935:—

Imports of Wheat into Japan

	1934 Short Tons	1935 Short Tons	1934 Yen	1935 Yen
Australia	294,032	366,833	22,032,782	30,935,530
Canada	87,486	58,198	8,119,710	6,257,769
Argentina	8,899	31,571	626,499	2,574,292
United States	146,573	3,036	9,869,363	283,765
China	1,176	198	92,868	16,500
Other countries	68	29,706	7,328	3,131,254
Total	523,234	489,542	40,748,550	43,199,110

WHEAT FLOUR

Despite the dissolution of the wheat flour cartel, which was expected to create keen competition and thus lead to a heavy reduction in prices, the market for wheat flour in 1935, although weakening temporarily, showed considerable improvement from the third-quarter period of the year. A fall in prices may be noted in June and July, the period following upon the dissolution of the wheat flour cartel, but the market readjusted itself in August and showed improvement for the rest of the year. These changes are, however, in great part a reflection of the prices of wheat.

The following table based on commodity prices compiled by the *Oriental Economist* shows the trend of wheat flour quotations for Standard Bamboo brand in 1934 and 1935:—

Wheat Flour Quotations

		1934			1935	
	High	Low	Average	High	Low	Average
		Yen per Sack of 49 Pounds				
January	3.48	3.37	3.43	3.38	3.22	3.31
February	3.52	3.43	3.48	3.60	3.43	3.51
March	3.44	3.36	3.42	3.68	3.47	3.59
April	3.37	3.33	3.35	3.50	3.46	3.48
May	3.33	3.27	3.30	3.38	3.25	3.32
June	3.32	3.19	3.25	3.25	2.77	3.00
July	3.17	2.86	2.99	3.22	2.73	2.94
August	3.18	2.87	3.03	3.63	3.14	3.40
September	3.30	3.14	3.23	4.25	3.60	3.86
October	3.34	3.28	3.31	4.15	3.75	3.90
November	3.28	3.15	3.24	4.00	3.80	3.87
December	3.27	3.17	3.22	4.00	3.77	3.85

PRODUCTION

Production figures for the year of wheat flour for home consumption are not yet available, but, according to the *Oriental Economist*, for the first eleven months of 1935 they were 37,932,000 sacks as against 32,130,000 sacks for the same period last year, an increase of 18 per cent. It is estimated that the total production of wheat flour for home consumption in Japan will amount to approximately 40,000,000 sacks. If the total tonnage of wheat flour exported is added to the production for home consumption, the total production of wheat flour will amount to over 50,000,000 sacks, a record output for the wheat flour milling industry. The demand-and-supply situation in Japan of wheat flour for 1934 and 1935 is as follows, figures for 1935 being a fairly accurate estimate:—

Demand and Supply of Wheat Flour

	In Thousands of Sacks of 49 Lbs.	
	1934	1935
Production	46,084	53,000
Imports	45	93
Exports	11,954	13,013
Home consumption	34,175	40,080

IMPORTS

It is apparent from the foregoing table that imports of wheat flour are not an important factor in the wheat situation in Japan. It would appear that this country has become self-sufficient in its requirements of this commodity, especially when one considers the large exports of wheat flour.

As has been stated in previous reports on this subject, however, considerable quantities of Canadian wheat flour are brought in in bond for the production of a flavouring extract for which Canadian flour on account of its high gluten content is specially suitable. These imports do not appear in the import statistics of

Japan but are estimated to be about 700,000 sacks for 1935. According to Canadian statistics, exports of flour from Canada to Japan for the calendar years 1933 and 1934 and for the first nine months of 1935 were respectively 204,801 barrels (609,250 yen), 253,331 barrels (808,536 yen), and 185,135 barrels (606,001 yen).

Japanese statistics showing imports of wheat flour for 1935 by countries of origin are not yet available, but the total amount imported during the period under review was 45,704 cwts. (about 93,275 sacks of 49 pounds) valued at 326,463 yen as against 22,144 cwts. (about 45,200 sacks) valued at 146,010 yen, an increase of 106.4 per cent in quantity and 123.6 per cent in value.

EXPORTS

Exports of wheat flour for 1935, as compared with those for 1934, showed an increase of 8.8 per cent in quantity and 18.4 per cent in value. Shipments to all countries, except Kwantung Province, during the period under review showed an increase, and those to the Philippine Islands and the Straits Settlements are particularly noteworthy. Exports to Kwantung Province for 1935, as compared with those for 1934, decreased by 18.4 per cent in quantity and 12.1 per cent in value, but those to Manchukuo increased by 45.1 per cent in quantity and 59.1 per cent in value.

Details of wheat flour exports for 1935 are shown in the following table:—

Japan's Exports of Wheat Flour for 1935

	1934 Short Tons	1935 Short Tons	Per Cent Inc. or Dec.	1934 Yen	1935 Yen	Per Cent Inc. or Dec.
Kwantung Province	191,388	156,179	- 18.4	18,557,907	16,313,738	- 12.1
Manchukuo	92,534	134,313	+ 45.1	9,083,059	14,449,784	+ 59.1
Philippine Islands	3,782	10,512	+177.9	386,574	1,115,596	+188.6
China	1,131	1,922	+ 70.0	109,488	222,763	+103.5
Dutch India	593	681	+ 14.8	55,906	70,612	+ 26.3
Straits Settlements	134	487	+263.4	14,100	51,101	+262.4
Other	2,645	14,001	+429.3	244,491	1,476,167	+503.8
Total	292,207	318,095	+ 8.8	28,451,525	33,699,761	+ 18.4

MARKET PROSPECTS

Despite increased wheat production and the striving for self-sufficiency in Japan, it is generally expected that the growing demands for wheat will be greater than can be supplied by domestic production, and that imports for home consumption will increase. Imports of wheat, on the whole, are offset by corresponding exports in the form of wheat flour. Due to poor crop reports from Argentina, imports from Canada and Australia are expected to increase. Wheat flour prospects, on the other hand, are not so encouraging. The effects of the dissolution of the wheat flour cartel in July, 1935, are becoming gradually apparent. Because of higher wheat prices, millers operating on a medium and small scale are finding it difficult to carry on. Quotations for wheat flour have not kept pace with those for wheat, and competition has kept them at a level which is unremunerative to the small producer. At the same time the outlook for Japanese wheat flour in Manchuria and China is not altogether encouraging. In Manchuria, the Nichiman Seifun Kaisha (Japan-Manchukuo Flour Milling Company) are reported to have already begun operations with a capacity of 2,500 barrels of flour a day. It is also reported that the Nippon Seifun Kaisha (Japan Flour Milling Company) have purchased a mill in Tsingtao having a capacity of 1,000 barrels a day and will start operations during March or April, using North China wheat and a proportion of foreign wheat.

ZINC TRADE OF JAPAN

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(The average value of the yen in 1933 was 28 cents; in 1934, 30 cents; and in 1935, approximately 29½ cents Canadian funds)

Kobe, February 27, 1936.—Zinc production in Japan in 1934 amounted to 27,307 short tons, about the average for the past few years. There are three important electrolytic zinc producing companies, their respective monthly capacities being 500, 200 to 300, and 200 tons. In addition, one company has a capacity production of 1,800 tons per month of prime western zinc, mostly from imported zinc ores.

IMPORTS

ZINC ORES

The imports of zinc ores in 1935 amounted to 45,423 short tons (1,594,031 yen) as compared to 14,651 short tons (689,402 yen) in 1934. Statistics according to sources of supply are not available for 1935; those for 1934 and 1933 were as follows:—

	1934		1933	
	Short Tons	Yen	Short Tons	Yen
China	385	10,034	106	11,544
India	2,334	141,344	.....	.....
French Indo-China .. .	1,967	91,994	.....	.....
Great Britain	3,076	100,695	.....	.....
United States	1,620	89,253	.....	.....
Canada	5,264	256,032	2,372	107,437
Australia .. . . .	.....	.....	39,020	1,916,586
Others	5	50	.....	.....
Total	14,651	689,402	41,498	2,035,567

Canada, in 1934, was the leading supplier, Australia having shipped no ore in that year. As will be noted from the table above, there were a number of new sources in 1934, but total imports were lower. Zinc ores are imported duty free.

ZINC (INGOTS, SLABS, AND GRAINS)

Imports of zinc—ingots, slabs, and grains—amounted in 1935 to 35,936 short tons (8,502,582 yen), a considerable increase over the figures for the previous year of 29,225 short tons (7,227,645 yen). Imports in those years, with sources of supply, were as follows:—

	1935		1934	
	Short Tons	Yen	Short Tons	Yen
French Indo-China	267	56,971	263	85,691
United States	8,480	1,848,111	5,931	1,352,424
Canada	11,813	2,813,555	13,599	3,419,811
Australia	10,999	2,729,186	9,033	2,293,238
Other	4,478	1,054,759	309	76,481
Total	36,037	8,502,582	29,135	7,227,645

Canada continues to be the largest individual supplier. Although her share of the total trade decreased as compared with that of 1934, it is expected that the Dominion will regain her former place in this trade during the present year. The other chief suppliers are Australia and the United States. Canada and Australia supply electrolytic zinc, whereas the United States supplies prime western. Prices are set in world markets, but in Japan, due to a duty advantage of 61.36 yen per short ton (4.05 yen per 132 pounds), domestic producers underquote foreign supplies by about 5 yen per ton. Imported zinc is used principally in the production of goods for export.

ZINC PLATES AND SHEETS

Imports of zinc plates and sheets in 1935 amounted to 5,570 short tons (1,738,307 yen) as against 4,013 short tons (1,461,115 yen) in 1934. These are special lines and originate principally in Belgium, Germany and Great Britain. One large Japanese company has announced its intention of manufacturing zinc sheets.

ZINC, OTHER

Under this classification is included a large quantity of waste and scrap zinc. Imports in 1935 amounted to 8,813 short tons (2,013,154 yen); in 1934 they were 3,276 short tons (769,331 yen). Main sources of supply for 1934 and 1935 were as follows:—

	1934		1935	
	Short Tons	Yen	Short Tons	Yen
China	706	132,167	1,039	204,215
Straits Settlements	280	57,337	401	81,982
Great Britain	155	112,697	429	110,000
Germany	234	61,422	156	46,106
United States	103	22,280	168	41,350
Belgium	1,408	362,213	122	33,045
Other	90	21,215	156	31,915
Total	3,276	769,331	2,471	548,613

Belgium is the largest supplier of waste and scrap, followed by China and Great Britain. These imports, which consist principally of zinc dross, zinc cuttings and old zinc sheets, will be materially reduced due to the revision in the tariff which becomes effective February 1, 1936. Zinc dross will be assessed 54 sen per 132 pounds if the zinc content is less than 94 per cent, and 4.05 yen if the content exceeds 94 per cent. The rate on zinc cuttings, which was 54 sen per 132 pounds, will now be 4.05 yen. Old zinc sheet apparently remains at the old rate of 54 sen per 132 pounds.

Trade returns since July, 1935, have included as imports goods in bonded warehouses. The returns for 1935 are therefore larger than they would be normally.

EXPORTS

The export of articles made from and with zinc reaches a considerable figure. Zinc oxide was exported to the value of 673,445 yen in 1935, principally to Kwantung Province, India, Dutch East Indies, China, and other parts of the Orient. Galvanized plates and sheets were exported to the value of 10,517,088 yen, principally to Kwantung Province, China, Manchukuo, Straits Settlements, India, and Siam.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, is making a tour of the principal centres of Canada in the interest of Canadian trade with Belgium.

His itinerary is as follows:—

Vancouver and Victoria.. Apr. 6 to 8
 Toronto, Oakville, Oshawa Apr. 13 to 18
 Hamilton Apr. 20
 Guelph Apr. 21
 Kitchener, Hespeler, Galt Apr. 22

London, Chatham, Ingersoll, Stratford Apr. 23
 Brantford Apr. 24
 Smiths Falls Apr. 27
 Ottawa Apr. 28 and 29

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Vancouver, Victoria, and Toronto, with the office of the Canadian Manufacturers Association; for Ottawa with the Department of Trade and Commerce; and for the other centres with the respective Board of Trade or Chamber of Commerce.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Tariff Changes

The Additional Import Duties (No. 5) Order, 1936, of the United Kingdom, effective March 11, increases from 10 per cent to 20 per cent ad valorem the import duty payable on soya bean cake, soya bean meal, soya bean oil, sunflower seed oil, and safflower seed oil.

Under the Additional Import Duties (No. 6) Order, in force March 13, locks (excluding trunk, travelling bag, suit-case and attaché case locks, but including padlocks) with the keys therefor not exceeding in number three per lock, and such locks without keys, became subject to duties of 20 per cent ad valorem plus 6d. per dozen, when the value does not exceed 3s. 4d. per dozen. If the value exceeds 3s. 4d. per dozen, the new duty is 1s. 2d. per dozen or, if higher, 20 per cent ad valorem. Locks for trunks, travelling bags, suit-cases and attaché cases continue to be dutiable at the former rate of 20 per cent ad valorem.

Goods of the kind in question if Canadian products within the meaning of the Imperial preference regulations are admissible duty free under the terms of the Canada-United Kingdom Trade Agreement of 1932.

United Kingdom Tariff Revision Proposals

The Import Duties Advisory Committee of the United Kingdom give notice that they have under consideration applications for increases in the import duties on tomatoes, from May 15 to November 15 (at present 2d. per pound from June 1 to August 31; 1d. per pound September 1 to October 31, and 10 per cent ad valorem during remainder of the year), and on powdered graphite, plumbago, and blacklead, that is to say, graphite, plumbago, and blacklead whereof more than 60 per cent by weight passes through a No. 100 British Standards Institution sieve or more than 20 per cent by weight passes through a No. 150 British Standards Institution sieve (at present 20 per cent ad valorem).

(Tomatoes and graphite the product of Canada are guaranteed duty-free entry under the terms of the Canada-United Kingdom Trade Agreement of 1932.)

Free Entry of Apples into the Irish Free State

The Minister of Agriculture of the Irish Free State has arranged for the issuing of licences permitting the importation of raw apples during the period March 16, 1936, to July 15, 1936, inclusive, free of the customs duty of 1d. per lb. imposed by the Finance Act, 1933. Applications for such licences should be addressed to the Secretary, Department of Agriculture, Dublin. There has been no tariff preference on fresh apples.

Irish Free State Increased Duty on Yeast

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises under date March 16, 1936, that, by order of the Executive Council, the duty on yeast entering the Irish Free State has been increased, as from April 4, 1936, from 18s. per cwt. (12s. preferential rate) to a flat rate of 36s. per cwt.

Certificates of Origin for Netherlands India

Mr. R. P. Bower, Acting Trade Commissioner in Batavia, writes that the Director of Economic Affairs has decreed that certificates of origin will be required for goods loaded after March 16, 1936, for which, on account of quota restrictions, specific quantities have been allotted to various countries.

Due to the fact that it is not possible to tell just what commodities would require a certificate of origin, the Trade Commissioner is of the opinion that it

would be advisable for Canadian manufacturers shipping to Netherlands India goods which are covered by restriction ordinances, to furnish certificates of origin. No special form of certificate has been prescribed. The form of certificate on the back of Canadian "M-A" invoices would be satisfactory. The certificate, however, must be signed by some authorized organization.

As Chambers of Commerce in the United Kingdom have been authorized to issue the certificates for English goods, it is suggested that Canadian exporters furnish certificates signed by Boards of Trade or Chambers of Commerce.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Victoria, B.C.

Vancouver, B.C.

The Maritime Provinces Trade Commission, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Lobster.....	183	Amsterdam, Holland.....	Purchase or Agency.
Flour.....	184	Valletta, Malta.....	Purchase or Agency.
Miscellaneous—			
Cellulose Wadding.....	185	Cape Town, South Africa..	Purchase.
Calf Leather.....	186	Leicester, England.....	Agency.
White Calf Leather.....	187	Port Elizabeth, South Africa.	Agency.
Dressers, Chairs, etc. (Natural Unpainted Birch).	188	Hamilton, Bermuda.....	Purchase.
Enamel Table Tops.....	189	Manchester, England.....	Purchase.
Battery Separators.....	190	Singapore, Straits Settlements.	Agency.
Thermostats for Electric Stoves.	191	Cape Town, South Africa..	Purchase.
Moulding Sand.....	192	Cape Town, South Africa..	Purchase.
Lump Marble (Brown, Red and Green).	193	Glasgow, Scotland.....	Purchase.
Naphthalene.....	194	Birmingham, England.....	Purchase.
Non-Ferrous Metals.....	195	Basle, Switzerland.....	Purchase.
Electrical Punching Stock, and Suitcase Fibreboard, also Soft Fibre for Shoe Findings.	196	Melbourne, Australia.....	Agency.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 30

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending March 30, 1936, with the official bank rate. Quotations for the week ending March 23, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 23	Nominal Quotations in Montreal Week ending March 30	Official Bank Rate
Austria	Schilling	.1407	\$.1883	\$.1882	3½
Belgium	Belga	.1001	.1697	.1698	2
Bulgaria	Lev	.0072	.0127	.0127	6
Czechoslovakia	Krone	.0296	.0418	.0417	3
Denmark	Krone	.2680	.2219	.2219	3½
Finland	Markka	.0252	.0220	.0220	4
France	Franc	.0392	.0663	.0662	5
Germany	Reichsmark	.2382	.4044	.4023	4
Great Britain	Pound	4.8666	4.9725	4.9725	2
Greece	Drachma	.0130	.0094	.0094	7
Holland	Guilder	.4020	.6832	.6799	2½
Hungary	Pengo	.1749	.2961	.2969	4
Italy	Lira	.0526	.0799	.0796	5
Jugo-Slavia	Dinar	.0176	.0231	.0230	5
Norway	Krone	.2680	.2496	.2497	3½
Portugal	Escudo	.0442	.0451	.0452	5
Roumania	Leu	.0060	.0077	.0076	4½
Spain	Peseta	.1930	.1373	.1371	5
Sweden	Krona	.2680	.2561	.2563	2½
Switzerland	Franc	.1930	.3280	.3265	2½
United States	Dollar	1.0000	1.0025	1.0043	1½
Poland	Zloty	.1122	.1893	.1891	5
Argentina	Peso (Paper)	.4245	.3311	.3314	—
Brazil	Milreis (Paper)	.1196	.0859	.0860	—
Chile	Peso	.1217	.0511	.0512	4½
Colombia	Peso	.9733	.5729	.5740	4
Mexico	Peso	.4985	.2784	.2789	4-5
Peru	Sol	.2800	.2494	.2499	6
Venezuela	Bolivar	.1930	.2581	.2586	—
Uruguay	Peso	1.0342	.8008	.8010	—
China (Shanghai)	Dollar	.....	.2986	.2990	—
Cuba	Peso	1.0000	1.0015	1.0034	—
Hongkong	Dollar	.....	.3263	.3267	—
India	Rupee	.3650	.3749	.3752	3
Japan	Yen	.4985	.2889	.2900	3.65
Java	Guilder	.4020	.6867	.6830	4
Siam	Baht (Tical)	.4424	.4555	.4557	—
Straits Settlements	Dollar	.5678	.5828	.5825	—
South Africa	Pound	4.8666	4.9662	4.9650	—
British Guiana	Dollar	1.0138	1.0359	1.0360	—
Jamaica	Pound	4.8666	4.9825	4.9825	—
Other British West Indies	Dollar	1.0138	1.0359	1.0360	—
Martinique	Franc	.0392	.0663	.0662	—
Guadeloupe	Franc	.0392	.0663	.0662	—
Australia	Pound	4.8666	3.9775	3.9775	—
Egypt	Pound (100 Piastres)	4.9431	5.0925	5.0925	—
New Zealand	Pound	4.8666	4.0100	4.0100	—
Argentina	Free	Free	.2752	.2757	—
Brazil	Free	Free	.0576	.0567	—
Chile	Free	Free	.0411	.0412	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Apart from weakness in the French franc, exchanges were extremely quiet during the fourth week of March. Small gold shipments were made from Paris to other European centres, and it became profitable to ship gold to New York, although no shipments were recorded. The official discount rate of the Bank of France was raised to 5 per cent on the 27th. Montreal rates for leading currencies on the 28th were as follows: Sterling, 4.9728; United States dollar, 1.0056; French franc, 0.0662; and yen, 0.2909.

SUMMER SAILINGS FROM MONTREAL TO YOKOHAMA

Messrs. McLean Kennedy Limited, agents for the Ellerman & Bucknall Steamship Company Limited, announce that arrangements have been made by their principals for a direct service from Montreal to Yokohama, Japan, during the coming summer.

There will be three sailings, the steamers leaving Montreal about the beginning of June, beginning of July, and towards the end of August.

Further information regarding this service is available on application to Messrs. McLean Kennedy Limited, Coristine Building, Montreal.

NEW SERVICE FROM BRITISH COLUMBIA TO AUSTRALIA

The Australian Dispatch Line and the Australian British Columbia Shipping Company, Limited, announce the inauguration of a new steamship freight service from British Columbia to Australian ports under the name of the Australian Freight Line. It is expected that three sailings a month will be maintained.

An office for the booking of cargo has been opened at 1733 Marine Building, 355 Burrard Street, Vancouver, B.C., under the management of Mr. T. G. Carling, who will give prompt attention to all requests for information in regard to this service.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, April 24; Duchess of Atholl, May 1; Duchess of York, May 8; Duchess of Richmond, May 15—all Canadian Pacific; Antonia, April 24; Andania, May 8—both Cunard-White Star Line.

To London.—Beaverbrae, April 24; Beaverhill, May 1; Beaverford, May 8; Beaverdale, May 15; Beaverburn, May 22—all Canadian Pacific; Ascania, April 24; Aurania, May 1; Ausonia, May 8; Alaunia, May 15—all Cunard-White Star Line.

To Manchester.—Manchester Regiment, April 30; Manchester Citizen, May 7; Manchester Port, May 14; Manchester Producer, May 21—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, May 5; Dakotian, May 25—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montclare, May 1; Montrose, May 15—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Boston City, Bristol City Line, May 16.

To Glasgow.—Athenia, May 1; Sulairia, May 8; Letitia, May 15; Airthria, May 22—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, April 30; Cairnesk (calls at Dundee), May 14—both Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head, Head Line, May 5 (cargo accepted for Londonderry and Cork).

To Aberdeen and Hull.—Kelso, May 2; Kyno, May 23—both Ellerman's Wilson Line.

To Antwerp and Havre.—Beaverhill, May 1; Beaverford, May 8; Beaverdale, May 15—all Canadian Pacific (do not call at Havre); Alaska, May 5; Grey County (does not call at Antwerp), May 15; Brant County (calls at Dunkirk), May 22—all County Line.

To Rotterdam.—Kings County, May 8; Grey County, May 15—both County Line.

To Hamburg.—Beaverbrae, April 24; Beaverburn, May 22—both Canadian Pacific; Hagen (calls at Bremen), Hamburg-America Line, May 15.

To Copenhagen, Gothenburg and Baltic Ports.—Stureholm, May 5; Korsholm, May 25—both Swedish-America-Mexico Line.

To Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa and Leghorn.—Nordhavet, McLean Kennedy Ltd., May 15.

To Marseilles and Genoa.—Inger, April 20; Sonja, May 16—both Canada-Mediterranean Line.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Blanca, Capo Line, May 5.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., May 8.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., May 4 and 18.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, April 30; Colborne, May 14—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, April 29; Lady Rodney, May 13—both Canadian National.

To Kingston (Jamaica).—Cathcart, May 8; Cavalier, May 22—both Canadian National.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Conqueror, Canadian National, May 30.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—Canadian Planter, Canadian National, May 22.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Cochrane, Elder-Dempster Lines Ltd., April 28.

To Santos and Buenos Aires.—Primerio (calls at Rio de Janeiro), April 25; a steamer, May 9—both International Freighting Corp.; Dagrun (calls at Montevideo but not at Santos), Canada-South America Line, May 2.

From Halifax

To Liverpool.—Duchess of York, April 11; Montcalm, April 18—both Canadian Pacific; Manchester Exporter, Manchester Line, April 13; Newfoundland, April 14; Nova Scotia, May 9—both Furness Line.

To London.—Beaverburn, Canadian Pacific, April 10; Alaunia, Cunard-White Star Line, April 11; Waukegan, April 11; Capulin, April 25—both American Hampton Roads (call at Dundee).

To Manchester.—Manchester Producer, April 11; Manchester Commerce, April 18; Manchester Division, April 25—all Manchester Line.

To Aberdeen, Newcastle and Hull.—Gitano, April 15; Kelso, May 11—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Bristol City, Bristol City and Dominion Lines, April 22.

To Newcastle and Leith.—Cairnglen (calls at Dundee), Cairn-Thomson Line, April 11.

To Avonmouth, Cardiff and Swansea.—Norwegian, Cunard-Donaldson and Dominion Lines, April 13.

To Glasgow.—Norwegian, April 13; Airthria, April 20—both Donaldson-Atlantic Line.

To Hamburg.—Waukegan, April 11; Capulin, April 25—both American Hampton Roads (call at Hull and Leith).

To Copenhagen, Gothenburg and Baltic Ports.—Svaneholm, Swedish-America-Mexico Line, April 21; Pilsudski (calls at Gdynia), Gdynia-America Line, May 19.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., April 6; Magnhild, G. T. Shaw, April 6; Fort Amherst, Furness-Red Cross Line, April 13; Newfoundland (does not call at St. Pierre), Furness Line, April 14; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., April 15.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, April 9; Lady Hawkins, April 23; Lady Drake, May 7—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, April 11.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, Canadian National, April 16.

To Santiago (Cuba) and Kingston (Jamaica).—Ciss, April 8; Kirsten B., April 22—both Pickford & Black Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, April 18; Cornwallis, May 4; Colborne, May 18—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cathcart, April 9; Cavalier, April 23—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silversandal, April 11; Chinese Prince, April 25; Silverew, May 9—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Cruiser, Canadian National, April 30.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Britisher, Canadian National, April 24.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Talissee, Java-New York Line, April 30.

From Saint John

To Liverpool.—Duchess of York, April 10; Montcalm, April 17—both Canadian Pacific.

To London.—Beaverburn, Canadian Pacific, April 9.

To Manchester.—Manchester Producer, April 9; Manchester Commerce, April 16; Manchester Division, April 23—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, Donaldson and Dominion Lines, April 11.

To Glasgow.—Norwegian, April 11; Airthria, April 18—both Donaldson-Atlantic Line.
To Newcastle and Leith.—Cairnglen (calls at Dundee), Cairn-Thomson Line, April 9.
To Dublin and Belfast.—Melmore Head (cargo accepted for Londonderry and Cork), Head Line, April 7.
To Rotterdam, Antwerp and Havre.—Brant County, County Line, April 7.
To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, April 15; Lady Drake, April 29; Lady Nelson, May 13—all Canadian National.
To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, April 8.
To Kingston and Jamaican Outports.—San Gil, United Fruit Line, April 18.
To Manila, Hongkong, Shanghai and Dalny.—City of Christchurch, Canada-Far East Line, April 10.
To Cape Town, Port Elizabeth, East London and Durban.—Lylepark, Elder-Dempster Line, April 15.
To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Worcester, Canada-India Service, April 13.

From Vancouver

To Yokohama, Kobe and Osaka.—Tatsuha Maru, April 15; Shiraha Maru, May 15—both Empire Shipping Co. (do not call at Kobe); Hikawa Maru, April 18; Hiye Maru, May 2; Heian Maru, May 23—all Nippon Yusen Kaisha.
To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Asia (calls Nagasaki), April 18; Empress of Canada (calls Honolulu), May 2; Empress of Russia (calls Nagasaki), May 16—all Canadian Pacific; Ixion, May 3; Talthybius, May 31—both Blue Funnel Line (call at Miike but not at Manila).
To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Bintang, April 30; Tosari, May 30—both Silver-Java Pacific Line.
To Honolulu, Suva, Auckland and Sydney.—Niagara, Canadian-Australasian Line, April 22.
To Auckland, Wellington, Melbourne and Sydney.—Golden Cloud, Oceanic and Oriental Navigation Co., April 13.
To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Cape Horn, Canadian-Australasian Line, April 6.
To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Sydic, April 15; Innaren, May 15—both Empire Shipping Co.
To London and Liverpool.—Devon City (calls at Cardiff), Reardon Smith Line, April 20.
To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer), Holland-America Line, April.
To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Canada, April 10; Amerika, April 27; Europa, May 28—all East Asiatic Co.
To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Wyoming, April 12; San Diego, April 29; Washington, May 11—all Empire Shipping Co.
To Scandinavian Ports.—Canada, April 10; Axel Johnson, May 1—both Johnson Line.
To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Feltre, April 21; Rialto, May 18—both Empire Shipping Co.
To Port of Spain (Trinidad) and Bridgetown (Barbados).—Zurichmoor, Canadian Transport Co., April 6.
To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverwillow, April 6; Silverfir, April 15; Siantar, May 7—all Silver-Java Pacific Line.
To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Brandanger, April 15; Evanger, May 15—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Pacific President (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., April 13; Steel Trader (calls at Avonmouth), B. W. Greer & Son Ltd., April 13; Devon City (calls at Cardiff), Reardon Smith Line, April 18; Gracia (calls at Glasgow), Balfour Guthrie & Co., April 18; Laurits Swensen (calls at Hull and Oslo), Anglo-Canadian Shipping Co., April 19.
To United Kingdom Ports.—Caithness, April 10; Ardanbahr, April 15; Hadiotes, April 20—all Anglo-Canadian Shipping Co.
To Japanese Ports.—Meiwo Maru, Yamashita Shipping Co., April 6; Hikawa Maru, B. W. Greer & Son Ltd., April 8; Shingleton Court, Canadian Transport Co., April 8; Star Point, Ocean Shipping Co., April 15; Ixion, Dodwell & Co., April 25.
To Shanghai.—Bradfyne, Ocean Shipping Co., April 15.
To Australian Ports.—Sydic, Empire Shipping Co., April 12; Marietta, Canadian Transport Co., April 15.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

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Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

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E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Beursplein 26B, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

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C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

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W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

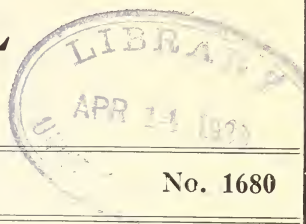
United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, April 11, 1936

No. 1680



Sulphite Pulp from British Columbia being landed at
Rotterdam

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, April 11, 1936

No. 1680

ANNUAL REVIEW OF THE TOBACCO MARKET IN GREAT BRITAIN

CANADIAN TRADE COMMISSIONER, LONDON, IN CO-OPERATION WITH OTHER
TRADE COMMISSIONERS IN THE UNITED KINGDOM

GENERAL CONDITIONS

London, March 7, 1936.—The year 1935 has in general been a satisfactory one for the tobacco trade. Manufacturers in the United Kingdom have found an increasing demand for their products, and consumption generally has been ahead of 1934, resulting largely from improved economic conditions in the United Kingdom and overseas. Price cutting has been overcome in some measure, and a greater degree of co-operation among the trade has been in evidence. Prices of leaf have been relatively steady and without the violent fluctuations of the year previous.

Broadly speaking, the lot of world tobacco producers has also shown some improvement over the past few years. Producers of dark tobacco, however, are still in an unsatisfactory position; the advantage is entirely with the growers of flue-cured, whose product, so far as the United Kingdom is concerned, is much more readily marketable. At the same time, in those areas which of necessity must cater chiefly to the United Kingdom, prices of leaf have remained too low to be economic, and much distress still exists.

Nevertheless, that there has been a welcome improvement in consumption of tobacco which should result favourably for growers is shown by the annual statements of the leading tobacco manufacturers in Great Britain.

COMPANY REPORTS

The year 1935 has been another extremely successful one for the leading tobacco manufacturers of the United Kingdom. Without exception, their annual statements have shown a continued expansion of business and improvement of profits. This is a continuation of the satisfactory trading conditions reported a year ago and indicates a further extension of tobacco consumption in the United Kingdom. The Imperial Tobacco Company of Great Britain, in their statement which has just been issued, reported a profit for the year of £9,768,240, an improvement over the previous year. The dividend paid for the year ending October 31, 1935, is 24 per cent free of income tax, compared with 22½ per cent for 1933-34 and 20 per cent for 1932-33.

Likewise, Carreras Ltd. showed improved trading conditions and reported a net profit, after allowing for depreciation, etc., of £942,007 for 1935, an increase of £137,065 over the preceding year. The improvement is attributed almost solely to better trade conditions throughout the United Kingdom. Even the British American Tobacco Company, which sells entirely overseas and has no domestic trade in the United Kingdom, has been able to report an increase

of profits in 1935, to a net total of £5,469,171, enabling the payment of a dividend of 20 per cent on common stock.

CONSUMPTION

The improved domestic conditions have naturally resulted in the increased use of unmanufactured tobacco. This is shown in the official figures for the year published by Messrs. Frank Watson & Company, London, of the quantity of leaf and strips released from bond by the United Kingdom customs and used for home consumption in this country. After deducting drawback returns, the total amounts cleared in the United Kingdom since 1931 were as follows:—

	Home Consumption Lbs. of Clean Leaf	Remaining in Warehouse Lbs.
1935	163,998,090	463,226,000
1934	158,359,991	447,494,000
1933	149,110,118	439,968,000
1932	149,219,135	434,635,000
1931	149,833,617	455,191,000

These figures represent the total net quantity of clean leaf retained for home consumption in the United Kingdom in the years indicated after allowing for drawback on offal. The actual gross quantity of unmanufactured tobacco cleared from bond for home consumption in 1935 was 219,733,000 pounds. This compares with 209,382,000 pounds in 1934 and 194,168,000 in 1933.

The home consumption figure for 1935, it will be seen, was greater than in any of the past five years—indeed, than any year since 1920—and is indicative chiefly of the improved market for the finished product in this country. It will be noted also that stocks have risen only in relation to home consumption. As it is customary for manufacturers to keep on hand sufficient stocks of leaf for from two to three years' requirements, the position appears to be normal.

DEVELOPMENT OF EMPIRE SUPPLIES

Of the 163,998,090 pounds of tobacco delivered for home consumption in 1935, 42,064,126 pounds represents leaf and strips of Empire origin. This compares with 40,545,199 pounds in the preceding year. Although the consumption of Empire leaf was therefore greater in 1935 than in 1934 by about 1,500,000 pounds, the percentage of Empire tobacco used in relation to consumption of all tobaccos showed a decline from 1934 from 22·22 per cent to 22·06 per cent. Moreover, 1935 was the third successive year in which the percentage of Empire tobaccos used declined. The position, however, is not as depressing as it might at first appear. During the past fifteen years the rise in the consumption of Empire tobaccos has been phenomenal. In 1919 only slightly over 1,500,000 pounds of Empire leaf were consumed in the United Kingdom. By 1924 the figure had risen to nearly 12,000,000 pounds. In 1929 it topped 28,500,000, and finally slightly exceeded 42,000,000 in the past year.

USES OF EMPIRE LEAF

During this period of rapid development it has been quite evident that most of the Empire leaf consumed here was used in pipe blends, where any deficiencies in flavour, texture, or colour are easily concealed. With the rapid improvement in the quality of Empire tobaccos, including Canadian, and especially of bright flue-cured, it has gradually become possible to employ small but increasing quantities in the cigarette trade. It is only within the past four years, however, that Empire tobaccos have been considered at all suitable for the cigarette trade of this country, where the public have become accustomed to a very bright tobacco of the flue-cured type.

Therefore, while it seems perfectly evident that a large number of British manufacturers are now using increasing quantities of Empire tobacco in their cigarettes, this important development is only at its commencement. At the moment it is thought that at least 80 per cent of all Empire leaf going into consumption in the United Kingdom is employed in the pipe and similar trades. An important fact, too, is that of the 160,000,000 pounds of tobacco used in the United Kingdom annually, possibly from 125,000,000 to 130,000,000 pounds go to the cigarette trade, while only from 30,000,000 to 40,000,000 pounds are used in the pipe and other trades, although, as will be readily appreciated, any figures must be only a very rough estimate.

EMPIRE PERCENTAGE IN THE PIPE TRADE

From this it will be seen that with approximately 80 per cent of the pipe trade already captured by Empire tobacco, little scope remains for further development in that direction. Moreover, pipe consumption is reported to be still declining in favour of cigarettes. Therefore, the only real hope of greater use of Empire tobaccos is in the cigarette trade.

It is equally well known that that trade is necessarily much more difficult to cater to than the pipe, for reasons already stated. It means a continued high-quality flue-cured leaf of bright colour, and of not too pronounced a flavour. The 1935 Canadian crop was excellent, but to capture this trade an assurance of a continuation of this quality is essential. That, of course, depends largely on weather conditions.

Nevertheless, a substantial beginning has been made by Empire tobaccos in the cigarette trade. At the moment the figure is probably not in excess of 6,000,000 to 8,000,000 pounds, but there is every prospect of a continuance of the process now in evidence. The chief difficulty, apart from the production of a suitable leaf, is the reluctance of British manufacturers to disturb their present blending formulas, especially in the case of the leading brands of cigarettes, which have been in existence for many years. The leading brands have attained their present success by continued and long endeavour—a continuity of quality and extensive advertising—so that manufacturers hesitate to make any change which, although most probably it would be successful, might possibly affect their established trade. The position is understandable, but at the same time it presents an almost unsurmountable obstacle to the early success of Empire tobaccos in the cigarette trade, which is now the only remaining avenue of expansion.

It is said that 60 or 70 per cent of the cigarette trade of this country is confined to half-a-dozen or less of the old-established and nationally known brands of cigarettes. The use of Empire tobaccos in these cigarettes appears to be too much to expect at present. The only immediate hope, therefore, for the extended use of Empire tobaccos is in new brands of cigarettes. Fortunately, these are constantly being placed on the market. Every leading manufacturer during the past year has introduced at least one new brand, the sale of which he is pushing. It seems reasonably certain that each of these contains some Empire leaf. Some are advertised as such; others give no indication, but on their success depends in large measure the ultimate hope of Empire cigarette tobaccos. The outlook is favourable.

TOBACCO CLEARANCES FROM EMPIRE COUNTRIES

During 1935, while there was a slight decline in imports of Empire tobaccos from 47,626,996 pounds in 1934 to 45,103,523 pounds, the quantities delivered for home consumption showed some improvement, as already indicated. The following is a complete table of clearances by Empire countries, showing the stocks on

hand as at December 31, 1935, according to the statement issued by Messrs. Frank Watson & Company:—

	Home Consumption		Stocks
	1935	1934	Dec. 31, 1935
	Lbs.	Lbs.	Lbs.
Cyprus.	227,899	209,553	1,265,044
South Africa.	49,009	60,770	
Leaf	89,663	99,695	498,072
Stripts	552,723	598,494	
N. Rhodesia.	130,723	180,029	
Leaf	8,837,861	8,381,755	28,521,123
Stripts.	1,119,136	892,696	
Nyasaland.	8,936,478	9,237,899	
Leaf	3,258,684	2,934,678	29,817,324
Stripts.	945,219	884,345	
British India.	8,866,136	8,682,892	25,987,340
Leaf	467,550	442,144	334,148
Borneo.	7,725,304	7,027,793	
Canada.	707,177	744,598	15,067,502
Stripts.			
Total.	42,064,126	40,545,199	
Leaf and stripts.			

NOTES ON THE SITUATION IN EMPIRE COUNTRIES

The following brief review of the situation existing in the chief Empire tobacco-supplying countries, so far as the United Kingdom is concerned, may be of interest in this study of the market. Details of the industry in these countries must necessarily be brief and based on information available in London.

SOUTHERN RHODESIA

Tobacco is one of the leading agricultural crops in Southern Rhodesia. Flue-cured is chiefly produced and in years of great production, such as 1933-34, as much as from 18,000,000 to 20,000,000 pounds has been grown. The country has only a small white population, and domestic consumption of this type of tobacco is therefore limited. Consequently the bulk of her crop must be marketed abroad—largely in the United Kingdom. In 1935 the total crop amounted to approximately 16,500,000 pounds, the bulk of which was exported to the United Kingdom. The balance was sold largely to South Africa under a treaty agreement and to certain European markets where, for the first time, some appreciable progress has been made in finding an outlet.

In recent years, however, the lack of adequate control in both production and marketing has led to a serious situation. Over-production, large surplus stocks and consignments have resulted in exceedingly low prices to the producer. In 1934 it was stated that the average return to the farmer, if sales to South Africa were excluded, was not over 3d. or 4d. per pound, while in 1935, although the crop was of good quality and the quantity not excessive, the average price c.i.f. the United Kingdom was probably not over 8d. or 9d.

Tobacco Sales Stabilization Act.—It became increasingly evident in 1935 that drastic steps must be taken to put this important industry on a sound footing. Consequently legislation was prepared and will, it is expected, be passed into law early in 1936, establishing a strict control over marketing. The Tobacco Sales Stabilization Act, 1936, sets up a Tobacco Marketing Board composed of growers and buyers under which all dealers in tobacco must be licensed.

The regulations laid down provide that no tobacco may be sold or bartered within the colony in any other manner than by auction on licensed auction floors. This will probably have the effect of restricting consignment shipments to the British market except under special circumstances. The proposed Act gives wide powers to the board, and it is expected by authorities that it will have a salutary effect on the trade. On the other hand, many British manufacturers and tobacco merchants entertain fears that the scheme will not operate successfully. In any event, it is an effort to correct the unsatisfactory situation which has existed for recent years, and it seems probable that a larger number of British tobacco buyers than usual will visit Salisbury this year when the market opens in April.

Consumption.—In 1935 the consumption of Southern Rhodesian tobacco in the United Kingdom amounted to 9,956,997 pounds, as compared with 9,274,451 pounds in the preceding year. Most of this was of the bright flue-cured type and probably the bulk of it was used in the pipe trade. The rather distinctive flavour of Rhodesian makes it more difficult, according to manufacturers, to use in cigarettes, although there are now many brands of cigarettes on sale in the United Kingdom which purport to be composed entirely of this tobacco. The bright colour of Rhodesian is certainly an attraction in this market, where the smoking public demand a light golden-coloured leaf.

Besides the United Kingdom domestic trade, Southern Rhodesia has been able in 1935 to participate to the extent of some 273,000 pounds in the United Kingdom re-export trade. This is a new development, presumably resulting from a relatively low price which enabled entry to be made into some European markets. The 1935-36 crop is reported to be of much better quality than at first anticipated and production will, it is believed, be as great as a year ago.

NEW ZEALAND

Although New Zealand has grown small quantities of tobacco for the past ten years or so, it is believed that 1935 was the first time any shipments have been made to the United Kingdom. Last year a small consignment was made to merchants in this country, and reports indicate the quality of the leaf to be very good in view of all circumstances. The colour was good and bright and the flavour fairly neutral, which is always an attraction to manufacturers here. In 1935 something over 11,000,000 pounds was produced in New Zealand, and in a determined effort to develop the industry the Government is understood to have granted an export subsidy by guaranteeing a price to the growers of 1s. per pound. It does not seem probable that any large shipments will be forthcoming in the immediate future, but possibilities exist which should be borne in mind.

BORNEO

Canada and British North Borneo are the principal Empire-producing areas of cigar tobacco; the industry in Borneo was until recent years large and important, but due to continued depressed economic conditions, and probably to diminishing consumption of cigars in the United Kingdom, the industry fell to very low depths. From a production of over 1,000,000 pounds, the amount has progressively declined during the past eight or nine years until in 1935 it was probably not more than 300,000 pounds. A year ago, however, the Imperial Tobacco Company of Great Britain, and other interests, took the matter in hand, with the result, it is reported, that the industry is being rehabilitated and protected. The United Kingdom figures for 1935 show that only 823 pounds were imported in that year as compared with over 300,000 pounds in 1934. Consumption of Borneo leaf in the past year amounted to just over 29,000 pounds, which was only slightly more than in 1934.

INDIA

No accurate records are available concerning the total quantities of tobacco produced in British India in 1935. Apart from a number of large plantations, production is in the hands of small farmers who grow chiefly for local requirements, and no statistics are kept. But total production must be very great, and it is freely estimated that in one area alone 100,000,000 pounds of high-grade flue-cured could be grown without difficulty. However, comparatively little is available normally for export, although any undue increase in prices would immediately tend to bring large supplies into the market.

In 1935 imports from India totalled 11,589,631 pounds, an increase of approximately 2,000,000 pounds over 1934. During the same period the quantities delivered for home consumption in the United Kingdom were as follows:—

	Leaf	Stripts
1935	945,219	8,866,136
1934	884,345	8,682,892

There was therefore little change in 1935 from the preceding year.

Indian tobacco is well-known for its neutral flavour, and for this reason it is particularly useful for manufacturers. Many consignments reaching here lately have been of satisfactory quality, and of attractive bright colour, but lack of continuity of this quality is a deterrent to its greater use at the moment. Prices, however, are cheap, especially for the lower grades. There appears little likelihood of any great developments in shipment to the United Kingdom in the immediate future. India's chief market will for many years be at home, so that, except in certain instances, the United Kingdom market is not likely to attract any special attention, especially in the cigarette trade.

NYASALAND

Nyasaland is the chief supplier of fire-cured tobaccos to the United Kingdom. Production is almost solely carried on by natives in that colony, at relatively low cost, with the result that Canadian dark-fired leaf has difficulty in competing in the British market. It is estimated that in 1935 over 10,000,000 pounds of dark fire-cured tobacco was grown in Nyasaland, practically all of which was exported. The tobacco is of good quality and has an established market in the United Kingdom.

During the past year 12,195,162 pounds were cleared for home consumption in the United Kingdom, as compared with 12,272,577 pounds in 1934. Practically no alteration, therefore, took place in the volume of trade. The year closed with a stock on hand in the United Kingdom of 29,817,324 pounds, which is equal to $2\frac{5}{12}$ years' supply at the present rate of consumption.

Some flue-cured is also produced in Nyasaland by Europeans, but the quantity is not great, and, in fact, owing to economic pressure, has diminished in recent years. An effort is being made, however, to rehabilitate this trade. If this is economically possible, Nyasaland can probably produce substantially more than her present 1,500,000 pounds of flue-cured tobacco.

SOUTH AFRICA

The Union of South Africa was at one time a substantial shipper of unmanufactured tobacco to the United Kingdom; in 1927 and 1928 the quantity was nearly 1,000,000 pounds in each year. At the same time, however, there was a large import trade, which amounted to nearly 9,000,000 pounds in 1928. During this period the production of tobacco of all types in the Union varied annually from 9,000,000 to over 21,000,000 pounds.

It was then decided to reduce imports as far as practicable and give every encouragement to the fullest development of the domestic industry. From 1929, therefore, imports were reduced to about 2,000,000 pounds per annum, most of which represented supplies under agreement from Southern Rhodesia. This latter figure was stated to be more or less stabilized for a period by treaty with Southern Rhodesia, and at a fixed price considerably above the normal market value of the tobacco. The object was to encourage production of flue-cured in South Africa by means of forcing a high price to be paid for Rhodesian tobacco.

In 1934-35 it was reported that production of all types of tobacco in the Union totalled nearly 16,500,000 pounds, of which 16,000,000 were Virginia and about 350,000 pounds Turkish.

Corresponding with the development of the domestic market, in recent years only very nominal quantities of South African tobacco have been imported into

the United Kingdom, as shown in the preceding table. Likewise, consumption of this tobacco in Great Britain has reached low proportions, and it appears unlikely that any important changes will take place in the near future. It is not outside the bounds of possibility, however, that at a later date South Africa will again be a supplier of both flue-cured and Turkish tobacco to the United Kingdom.

CANADA

The excellent crop of flue-cured which was raised in Canada in 1935, and its suitability for the cigarette trade in the United Kingdom, was responsible for its rapid sale when the market opened. Many British manufacturers bought heavily and appear to be well pleased. The price, which on the average was higher than a year ago, was apparently justified, but some manufacturers have stated that this was the case only because of the exceptional quality. In other words, many of them are now so well stocked up that it will not be necessary for them to go into the market in 1936 unless the quality is entirely satisfactory and the price attractive. It therefore seems important, so far as the United Kingdom market is concerned, that there should be no extensive increase in acreage in 1936 or anticipation of widening sales.

Little of the tobacco of the 1935 crop which was purchased by British manufacturers reached the United Kingdom before the end of the year, and consequently is not shown in the present trade returns. The fact is, therefore, that while substantial purchases of Canadian have been made, instead of showing an increased volume, the figures disclose imports from Canada of only 7,076,537 pounds in 1935, as compared with 8,058,984 pounds in 1934. British purchases of the 1935 crop will not be shown until later returns for 1936 are available.

At the same time, more Canadian tobacco went into consumption in the United Kingdom in 1935 as compared with the previous year, as indicated by the following:—

Withdrawals of Canadian Tobacco for Home Consumption in the United Kingdom

	Leaf Lbs.	Stripts Lbs.	Total Lbs.
1935	7,725,304	707,177	8,432,481
1934	7,027,793	744,598	7,772,391

At the close of the year the stocks of Canadian tobacco on hand in this country totalled 15,067,502 pounds, which has been computed to be equal to one year and eight months' normal supply. But at the increased rate of consumption in 1935, the stocks represent only one-and-a-half year's normal requirements. The Canadian position in this respect is better than that for any of the other suppliers. The statistics, while interesting, are, however, no real indication of the position, for they do not show varieties of tobacco. It is therefore impossible to say what quantities of light and dark leaf have been used during the year.

A year ago the customs authorities commenced recording imports by light and dark varieties, but as these indicate total quantities only and do not differentiate as between countries, they are not especially helpful. In 1935 and 1934, for example, the imports are classified as follows:—

From		1934 Lbs.	1935 Lbs.
British Countries	Light	28,747,314	25,898,055
	Dark	18,820,120	19,204,536
Foreign countries	Light	185,467,271	196,779,727
	Dark	5,840,185	9,799,826
Total	Light	214,214,585	222,677,782
	Dark	24,660,305	29,004,362

As the light leaf may be taken as referring chiefly to flue-cured and dark to Burley, dark-fired and air-cured, the predominance of the former will be readily seen.

OUTLOOK FOR EMPIRE TOBACCOS

There seems to be no doubt in the minds of experienced tobacco manufacturers that, taking the long view, the outlook for Empire tobaccos in the United Kingdom market is encouraging. It is hardly to be expected or hoped that the rapid developments of recent years will be maintained. Indeed, 1934 and 1935 were years of little or no advance in this respect. It can be confidently expected, however, that with the high standard of quality which Empire tobaccos have now reached, and with the special inducement of a tariff preference of 2s. per pound in duty, the use of Canadian, Rhodesian, and other Empire leaf is bound to continue to expand.

Meanwhile, however, an immediate improvement in the position of growers, especially in Rhodesia and Nyasaland, is essential, for the continuing low prices of raw leaf and the slowing down in the rate of increase in the consumption of Empire leaf in the United Kingdom have created a difficult situation for them.

The Imperial Economic Committee, therefore, is at present conducting an inquiry into tobacco and will in due course submit a report to the Governments of the Empire. It may be anticipated that this report will include an authoritative exposition and examination of all available statistics, and will enable all concerned with the tobacco industries of the Empire to see more clearly than at present the problems which arise.

MINERAL WOOLS AND INSULATION IN THE MIDLANDS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, March 16, 1936.—At recent exhibitions in Birmingham, such as the Building Trades Exhibition and the British Industries Fair, small samples of Canadian rock wool were displayed. This material aroused considerable interest, and inquiries received indicate that if offered for sale at a competitive price a market could be developed in this country. It is hoped that Canadian manufacturers will find it possible to increase their productive capacity to a point where they will be able to take advantage of these opportunities.

MINERAL WOOLS IN USE

Besides rock wool, which at the present time is being imported from the United States in fair quantities, the manufacturers of heating and cooking equipment, and insulation engineers in the Midlands, use slag wool, glass wool and glass silk, and other similar materials.

Rock wool is considered by some authorities to offer superior insulation qualities for gas and electric ranges, which are being manufactured in large numbers both in the Midlands and elsewhere.

At the moment slag wool, which, as its name suggests, is made from the slag run off from blast furnaces, is most generally used due to its slightly lower cost. This material, however, possesses one great drawback in that it may contain free sulphur or sulphur in combination with other substances. If moisture is present sulphuric acid may be formed, which produces two harmful effects. Its action on metals is well known, and one manufacturer observed that, even carefully applied, vitreous enamel did not entirely protect the metal of the stoves in which it is used. The other condition to be considered is the destruction of the insulation properties of the material due to chemical reaction.

Glass wool, which is manufactured here, is also used to some extent, but owing to its brittle nature, if used where any jarring is likely to occur, it is liable to collapse. In time the whole of the insulation material may fall as dust

to the bottom of the compartment. Glass silk is the term usually applied to spun glass of comparatively long fibres. It is frequently used for insulating pipes, and for this purpose comes in the form of rolls of various lengths and thicknesses, bound on each side with cotton gauze.

Other materials used for thermal insulation include cork, asbestos sheeting, and various plastic materials with or without an asbestos base. Some of these materials are also used for sound insulation along with, or in place of, the many types of insulating or building board on the market.

The rock wool which is at present being sold here is used principally for sound absorption, although it is considered to have equally valuable heat-insulating qualities. An important field for development is indicated by the fact that recently built studios of the British Broadcasting Corporation have been lined with either rock or slag wool, held in place by wire netting and covered, not by wallboard or paper, but by some very loosely woven fabric.

Floors are now being constructed to provide for gaps between joists, which are partially filled with a 2-inch layer of slag or rock wool. Here again the advantage of rock wool lies in its freedom from deterioration as a result of moisture beneath the floors.

FORMS IN WHICH USED

Mineral wools are used in a number of different forms such as rolls, batts, blankets, or bulk. The greater part of the rock wool coming into the country is packed in bags.

PRICES

Slag wool is being offered on this market at prices from £9 to £11 per ton (2,240 pounds), depending upon its density and length of fibre. Rock wool, chiefly of American origin, is selling at £13 per ton, while glass wool is about the same or slightly higher in cost. Glass silk, in a form suitable for covering pipes, is quoted at 3½d. per foot for material ½-inch thick. This is usually sold in sheets 8 feet by 3 feet, and of various thicknesses up to 1 or 1¼ inches.

Imports of rock wool from the United States or other foreign countries are subject to a customs duty of 10 per cent ad valorem. Rock wool from Empire sources is free of duty.

MARKET POSSIBILITIES

It might be thought that the current prices of slag wool render expansion of the market for Canadian rock wool problematical, but it is felt that an increase in production might result in the existing price spread between the two materials being narrowed considerably. It is suggested that Canadian producers study the opportunity offered by United Kingdom consumers with this end in view.

Two stove manufacturers have estimated that they consumed 80 tons of slag wool annually. These firms are keenly interested in the advantages of rock wool, and have expressed the hope that Canadian supplies may soon be readily available. Other manufacturers of electrical equipment, as well as heating engineers and builders, have also made inquiries for this material.

As a result of the displays at the exhibitions referred to, inquiries from several foreign visitors indicate a possible market on the Continent as well.

Canadian producers of rock wool interested in this market are invited to communicate with the Canadian Trade Commissioner, Bristol.

CANADIAN FLOUR IN THE NORTH OF ENGLAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, March 13, 1936.—The year 1935 was considered a poor one for Canadian flour on the Liverpool market. Owing to the high price at which it was quoted during the greater part of that period it was placed above its parity in relation to other flours, with the result that the percentage used by the bakers in their mix remained at a low figure. Though the quality of the bread suffered, the keen competition to supply a low-priced loaf did not permit of the bakers buying much Canadian flour when others of fair quality were available at a cheaper price. By "parity" is meant the price, representing a certain premium over other imported as well as port-milled flours, which is generally recognized by the market as that at which Canadian flour offers good value.

Up to the middle of September, 1935, when the price of Argentine wheat advanced to a high level owing to the partial failure of the River Plate wheat crop, there were plentiful supplies available of flour milled in Liverpool from Plate wheat for blending with Australian and other flours to produce a grade acceptable to the bakers. Soon after the above-mentioned date the situation altered in favour of the Canadian miller. The absence of Plate wheat created a greater demand for Australian and other flours, with a consequent firming of prices. By November Canadian prices had dropped slightly, thereby further lessening the gap between them and those for port-milled flour, and the result was a revival of interest in the Canadian product on the part of the bakers.

IMPORTS OF FLOUR INTO LIVERPOOL

The following statistics (in round figures) obtained through the courtesy of Broomhall's, provide a comparison between the imports of flour into Liverpool from the principal sources of supply during 1935 and 1934:—

Imports of Flour into Liverpool

	1935	1934
	Sacks of 280 Lbs.	
Total	290,000	421,000
Canada	40,000	47,000
Australia	63,000	41,000
France	58,000	113,000
Italy	84,000	61,000
Germany	27,000	133,000
Argentina	12,000	16,000

Since November last year Canadian flour has attracted more attention. Its price as compared with quotations for other flours is regarded as satisfactory, and the general opinion of the trade is that if it remains in the neighbourhood of present levels, sales during 1936 will show an improvement over those in 1935. A recent transaction indicates that bakers are interested in Canadian flour up to a point where the price is 2s. above that of port-milled super tops. Generally speaking, when the premium goes above 2s. the interest drops off.

It should be mentioned that Canadian and Australian are the only flours that are accepted as bakers' flour, though in gluten content the latter is much inferior to the former. Flour from France and Germany contains a percentage of low, medium and bakers' grades, while that from Italy and the Argentine is of a low grade. The port millers produce a flour to meet the minimum quality requirements and the purchasing power of the baker. While it is fair to good in quality, the baker cannot produce the results with it alone that he can by combining it with a good percentage of Canadian flour.

FOREIGN TRADE OF THE IRISH FREE STATE, 1935

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 15, 1936.—The total value of the external trade of the Irish Free State for the calendar year 1935 was £57,247,995 as against £57,046,417 for 1934 and £54,809,053 for 1933. Exports, including re-exports, during the past year increased from £17,924,697 to £19,920,062, while imports declined from £39,121,120 to £37,327,953; the unfavourable balance of trade was thus reduced from £21,197,023 in 1934 to £17,407,571 at the end of 1935.

It would appear that the economic and industrial policy which the Fianna Fail Government has been pursuing has now been reflected in the country's trade statistics, which show a decline in imports and an increase in exports of approximately £2,000,000 sterling each as compared with the previous year. In 1930 the total trade of the Irish Free State amounted to £101,721,354, and the unfavourable balance of trade was only £11,800,000, so the total value of the trade of the country, while showing some improvement, is but 60 per cent of the average for the years 1925 to 1930 inclusive.

CHIEF IMPORT AND EXPORT ITEMS

Among others, the chief items of trade interest during 1935 were the further decline in imports of wheat, wheat flour, maize, hops, and sugar. Imports of completely assembled motor cars also declined from 2,176 to 426 units, while imports of motor vehicle chassis in parts increased from 1,768 to 4,922 units, or from £245,000 to £569,000. Imports of boots and shoes declined from 341,555 dozen pairs (£761,588) in 1934 to 190,486 dozen pairs (£499,874) last year. Timber imports declined by approximately 25 per cent in value.

Exports of most classes of goods showed an increase over the previous year. Over 157,000 more live cattle were exported in 1935, bringing in an additional £1,120,000 as compared with the previous year. Butter and bacon exports also increased in value by £331,000 and £260,000 respectively (approximately 25 per cent), while exports of raw wool were greater by nearly £100,000.

Exports to Great Britain and Northern Ireland amounted to £17,991,108, or approximately 92 per cent of the total exports as against 93·5 per cent in 1934. Imports from the United Kingdom were valued at £21,806,891, or approximately 53 per cent of the total imports as compared with 69·1 per cent in 1934.

The duty of 5s. per ton on coal from the United Kingdom was removed at the end of the year in the interests of the poorer class of consumer in Ireland, who could not afford to buy the fuel. The "coal for cattle" agreement has worked well during the year.

Exports to Canada have considerably increased in 1935, but their total value of £46,193 is still small, being less than 5 per cent of the value of the Dominion's exports to the Free State.

Imports from Canada, according to the local figures, have increased for the past year by some 11 per cent and now represent 3·3 per cent of the total import trade as compared with 2·8 per cent in the previous year.

CHANGE IN MANNER OF COMPILING IMPORTS

In this connection, it should be mentioned that, as from April 1, 1935, the Irish Free State statistics of imports are compiled by country of origin, whereas previously they had always been compiled by country from which consigned. It is not yet possible, therefore, to compare the value of imports from each country with the values for the corresponding periods prior to April 1, 1935. The change in compilation of statistics will no doubt explain the large decline in the figures of imports from Great Britain during 1935, as well as the large increase

in imports from certain other countries, such as British India, Brazil, Japan, Mexico, Palestine, and Persia, which countries formerly sent a great deal of their goods to this country through Great Britain.

TRADE WITH THE PRINCIPAL COUNTRIES, 1934 AND 1935

The following table gives the value of trade with the principal countries for the years 1934 and 1935:—

Irish Free State Imports and Exports by Principal Countries

Country	Gross Imports		Net Exports	
	1934	1935	1934	1935
Total	£39,065,849	£37,361,731	£17,573,692	£19,614,638
Great Britain	4,071,265	20,868,019	14,230,020	16,031,100
Northern Ireland	2,001,421	938,872	2,191,535	1,960,008
Australia	1,148,757	1,309,476	14,083	9,963
Canada	1,095,701	1,218,682	29,884	46,195
India (British)	53,164	981,288	54,125	46,002
Argentina	942,015	1,220,757	3,457	1,902
Palestine	26,150	70,870	2,653	4,504
Belgium	1,110,754	1,090,416	250,389	234,725
Brazil	1	86,530	15,681	17,240
Czechoslovakia	181,274	215,433	2,591	14,507
Denmark	165,901	193,977	15,493	8,878
Finland	310,858	341,699	600	1,600
France	251,519	355,288	61,196	56,674
Germany	2,277,670	1,415,114	135,387	485,655
Greece	54,355	87,319	2,530	507
Italy	49,505	144,691	12,863	3,215
Japan	18,936	252,843	6,260	1,507
Latvia	168,694	146,138	61	51
Mexico	68	63,619	112	237
Netherlands	763,121	569,411	44,218	52,393
Norway	63,111	46,046	25,173	24,613
Persia	80,101	176,892	783	1,199
Poland (including Danzig) ..	847,840	197,843	15,402	10,764
Portugal	106,955	147,489	2,975	2,272
Roumania	77,682	86,020	9	358
Spain	91,439	187,882	32,459	70,836
Sweden	406,582	398,479	7,150	10,598
United States	1,863,826	2,353,836	122,073	176,652
U.S.S.R. (Russia)	241,314	359,507	8	6,711
Dutch West Indies	202,561	254,844	459	603
Switzerland	116,634	90,412	69,815	66,981

To the foregoing should be added the following important re-export figures:—

To	1934	1935
Great Britain	£220,484	£211,861
Northern Ireland	83,331	69,647
Other countries	47,190	23,916
Total	£351,005	£305,424

IMPORT TRADE

During 1935 cereals and feeding stuffs were imported to the value of £4,301,139 as against £4,993,376 in 1934. The import values of items under this heading were as follows, the 1934 figures for these and for other commodities subsequently referred to being shown in parentheses: wheat, £2,385,650 (£2,699,067); maize, £1,199,545 (£1,493,295); wheat flour, £106,940 (£281,408); and malt, £206,900 (£144,531). Fruit, vegetables, etc., were imported to the value of £1,368,009 (£1,492,604)—the most important being oranges, apples, raisins, tomatoes, and bananas. Tea imports were a large item valued at £1,548,109 (£1,578,681). As over half of the tea used here retails under 2s. per pound, these figures indicate the huge consumption in this market. Sugar imports have been cut in half during 1935—declining in value from £566,205 to £265,213—owing to the increased production from domestic sugar-beet factories.

Drink imports were valued at £565,996 (£523,110), and of tobacco at £772,304 (£1,182,477), the reduction being chiefly in imports of unstemmed tobacco, £662,851 (£1,027,530).

Imports of non-metalliferous mine and quarry products were valued at £3,826,769 (£3,907,076), which were chiefly coal, now an English monopoly, £2,461,028 (£2,405,727), and coke, £440,625 (£459,516).

There was a slight decline in the value of iron and steel and manufactures thereof. The figures were £1,962,934 (£2,139,568). Imports of iron and steel manufactures, constructional and fabricated, declined from £287,396 to £46,358, while steel rods increased from £150,207 to £184,527. There was also a slight increase in imports of domestic stoves, grates, and ranges, £151,519 (£138,675); galvanized sheets, £129,401 (£91,303); and tinplate, £123,727 (£106,206).

Imports of non-ferrous ores, metals, and manufactures thereof, including aluminium, brass, bronze, copper, lead, tin, and zinc products were valued at £509,494 (£490,033); and cutlery, hardware, implements, and instruments, £570,933 (£526,935).

Total imports of machinery and electrical goods and apparatus were valued at £2,608,999 as against £2,588,956 in 1934, the main items in a wide list being electrical goods and apparatus, electrical motors, and radio and wireless telegraphy apparatus. Total imports of vehicles, including motors, locomotives, ships, aeroplanes, and parts, were valued at £1,733,565 (£1,666,058). Imports of completely assembled motor cars declined from 2,176 valued at £347,855 to 426 valued at £81,919, while motor vehicle chassis, imported as parts, increased from 1,768 valued at £245,438 to 4,922 valued at £569,359. This is consistent with the greatly increased production and assembly of cars in the Irish Free State during the past two years.

Imports of wood and timber and manufactures thereof were valued at £1,200,833 (£1,554,700). Softwood, deals, planks, and boards of various sorts accounted for £661,954 (£1,007,960), used largely in the extensive house building and slum clearance schemes sponsored by the local authorities.

Textiles were imported valued at £4,452,689 as against £4,354,940 in 1934. The chief items were cotton piece-goods, £1,246,876 (£1,143,160); woollen and worsted tissues, £597,965 (£663,956); artificial silk manufactures, £407,764 (£530,965); woollen and worsted yarns on bobbins, cones, etc., £464,873 (£365,759); cotton yarn, £226,045 (£133,536); other cotton manufactures, £195,783 (£245,697).

Imports of apparel declined from £2,361,219 to £1,929,081. The chief items under this group were: boots and shoes, £499,874 (£761,588); women's and girls' coats, £82,790 (£102,355); women's and girls' hats, £199,055 (£199,477); fancy hosiery, wool, £87,374 (£110,157); silk and art silk stockings, £78,649 (£120,827). The decline in imports of the above items is consistent with the expanded domestic production of these articles of apparel.

Imports of hides, skins, and leather were valued at £946,447 (£692,944). Most of the increase is due to larger imports of dressed upper leather—£338,338 (£75,629)—for the domestic boot and shoe industry. Undressed leather was valued at £228,492 (£244,654).

Imports of rubber and rubber manufactures remained steady at £392,102 (£390,346), the main item being outer covers for motor cars and cycles, £169,964 (£202,594).

Imports of paper and cardboard were valued at £1,241,759 (£1,145,614), chief among which was newsprint, £174,444 (£125,533); other printing paper not coated, £146,227 (£157,837); and millboard, strawboard, cardboard, and pasteboard in the piece, £205,891 (£144,131). The increased imports of cardboard, etc., are consistent with the greatly enlarged domestic production of boxes and cartons for local manufacturers.

Imports of oil seeds, oils, fats, etc., and manufactures thereof were valued at £1,654,060 (£1,450,437), the chief items being motor spirits, £551,604 (£509,484); petroleum lamp oil, £241,241 (£225,826); lubricating oil, £171,460 (£206,470); and other oils, £169,254 (£68,696).

Imports of fertilizers were valued at £413,879 (£318,173), chiefly sulphate of ammonia, £161,386 (£111,835); and rock phosphate, £81,596 (£76,935).

Imports of chemicals, drugs, perfumery, dyes, and colours were valued at £1,047,499 as against £1,054,579 in 1934, while imports of miscellaneous articles totalled £2,184,050 (£2,139,974).

EXPORT TRADE

The total export trade of the Irish Free State was valued at £19,920,062 in 1935, an increase of roughly £2,000,000 sterling over 1934 and of £900,000 over 1933. In 1929 Free State exports reached the record value of £47,291,045. The export trade of the country has thus made some recovery from the low figures of 1934, but is still less than one-half of the value of the total of the pre-depression years 1925-30.

Total exports of live animals were valued at £7,316,487 as against £6,115,462 in 1934. Exports of live cattle numbered 668,176 valued at £5,375,695 as against 511,103 valued at £4,257,922 in 1934. Exports of store cattle were valued at £2,928,369 (£2,171,485); fat cattle, £1,736,180 (£1,407,571); milch cows and springers, £651,098 (£551,645); and calves, £60,048 (£127,221).

Exports of horses were valued at £1,049,202 (£992,039); live pigs, £428,727 (£370,971); sheep and lambs, £357,470 (£441,816); and poultry, £80,383 (£25,604).

Exports of foodstuffs of animal origin were also greater at £5,837,640 as against £5,198,399 in 1934. The chief export items in this group were: butter, £1,658,259 (£1,329,643); bacon

and hams, £1,493,076 (£1,228,694); eggs in shell, £995,156 (£1,039,683); dead poultry, £373,191 (£429,998); fresh pork, £353,477 (£379,060); and salmon and trout, £196,682 (£221,704).

Drink was exported to the value of £3,840,351 as against £3,775,555 in 1934, of which porter, beer, and ale accounted for £3,694,759 (£3,554,219) and spirits (whisky, etc.) for £129,563 (£203,179).

Biscuits for human consumption were exported to the value of £303,261 as against £320,006 in the previous year.

Raw wool exports were valued at £488,432 in 1935 as against £392,003 in 1934, chiefly woollen and worsted tissues, £96,204 (£85,412); and linen piece-goods, £86,820 (£100,210).

Hides and skins exported in 1935 were valued at £320,683 as against £283,411 in 1934.

TRADE WITH CANADA

The Irish Free State trade figures for 1935, just issued, show imports from Canada to the value of £1,218,652 as against £1,094,957 for the previous year. Imports from the Dominion have shown a steady and consistent increase in value since 1931.

IMPORTS FROM CANADA

The Saorstat figures of imports from Canada for the past five years are as follows: 1931, £717,803; 1932, £801,900; 1933, £1,061,753; 1934, £1,094,937; 1935, £1,218,652.

These figures are the more noteworthy as the total import trade of the Irish Free State has declined from £50,460,880 to £37,327,935 during the same period. Canada's percentage of the import trade has increased from 1.4 in 1931 to 3.3 in 1935.

EFFECT OF RESTRICTIONS ON IMPORTS OF CERTAIN COMMODITIES

An analysis of the imports from the Dominion shows in 1931 the following commodities of a total value of £137,000: bacon, £39,006; cheese, £21,160; barley, £33,697; oats, £24,767; oatmeal, £18,369. These products have since been prohibited or placed under strictly limited quotas, and none are recorded in the import figures from Canada during the past two years.

In addition, several products which were formerly imported from Canada in considerable quantities are now strictly limited by the operation of the Control of Imports Act; imports of these will probably be further reduced as domestic production expands. The principal items in this class, with the import value in 1931, are as follows: wheat flour, £245,603; manufactures of wood (furniture, etc.), £32,033; rubber boots and shoes, £6,344; stockings of silk and art silk, £2,877; soap, toilet, £9,773; and confectionery, £637; a total of £297,267.

These commodities, with the addition of binder twine, which was last year imported from Canada to the value of £12,369, and which is shortly to be licensed, make a total value of over £300,000 which Canada has regularly shipped to this market and which have now been reduced through various restrictions to but a fraction of their former value, and may in time completely disappear from the Saorstat import figures.

Wheat, timber and, to a lesser extent, newsprint are the principal items which have counterbalanced the effect of the import restrictions on the commodities above noted. Imports of Canadian wheat increased from £203,947 in 1931 to £630,717 in 1934 and £857,708 in 1935, while imports of Canadian timber increased from £50,954 in 1931 to £135,184 in 1934, but they showed a decline in 1935. These two commodities have provided a combined increase in the imports from Canada of over £700,000 since 1931, and they are now approximately 75 per cent of the total value. Imports of Canadian newsprint increased from £46,239 in 1934 to £87,948 last year; of electrical goods and apparatus, from £14,117 to £30,996; of photographic paper, films and plates, from £6,549 to £11,431; and of dressed fur skins, from £1,700 to £8,660. Imports of flour declined from £208,328 to £54,911; hops from £2,391 to nil; and hardwood timber from £9,114 to £4,447.

The following comparative table shows the principal imports from Canada during 1935:—

Principal Imports from Canada into the Irish Free State

	Unit	Quantity		Value in £	
		1934	1935	1934	1935
Canned fish	Cwt.	175	262	466	2,278
Wheat	Cwt.	1,845,371	2,261,625	630,717	842,250
Wheat flour	Cwt.	407,355	102,429	208,328	54,911
Apples	Cwt.	.....	3,548	.....	4,084
Fruit pulp and juice	Cwt.	1,973	1,710	2,135	2,074
Fruit, tinned in syrup	Lb.	82,202	61,363	1,199	890
Hops	Cwt.	325	.....	2,391	.....
Wire manufactures	Cwt.	.....	507	.....	418
Gas heaters, cookers and parts	Cwt.	.....	428	.....	1,506
Agricultural implements	Number	6,176	6,940	577	762
Photo plates, films and paper . . . . .	.....	.....	.....	6,549	11,431
Combined reapers and binders	Number	30	52	1,198	2,505
Agricultural machinery	Number	.....	235	.....	9,340
Electric vacuum cleaners	Cwt.	.....	284	.....	8,850
Other electrical goods . . . . .	.....	.....	.....	14,117	30,996
Motor cars and parts . . . . .	.....	.....	.....	887	3,007
Sparking plugs	Number	.....	75,654	.....	3,616
Wood and timber—					
Hard, hewn and sawn	Cu. ft.	93,730	35,210	9,114	4,447
Soft, sawn boards and planks	Load	651	168	2,371	1,031
Deals, etc.	Load	31,038	7,942	109,970	28,917
Other sorts	Load	2,775	4,556	11,730	19,024
Planed or dressed . . . . .	.....	.....	.....	68	97
Sleepers	Load	564	.....	1,931	.....
Manufactures of wood . . . . .	.....	.....	.....	2,368	3,271
Binder twine	Cwt.	7,310	8,100	11,265	12,369
Rubber boots and shoes	Doz. prs.	63	646	207	2,926
Silk hosiery	Doz. prs.	1,017	2,485	1,874	4,283
Dressed fur skins . . . . .	.....	.....	.....	1,711	8,662
Sole or insole leather . . . . .	.....	.....	.....	1,710	2,907
Newspprint	Cwt.	117,037	197,571	46,239	87,948
Paper, other, not coated	Cwt.	.....	8,288	.....	3,447
Millboard, strawboard and cardboard	Cwt.	16,339	14,261	11,782	9,552
Toilet soap	Cwt.	1,309	659	5,366	3,111
Medicines and medicinal preparations . . . . .	.....	.....	.....	.....	6,698
Printed matter . . . . .	.....	.....	.....	2,076	2,067
Seeds (flax, clover, grass, etc.)	Cwt.	.....	403	.....	830
Total value				1,095,701	1,218,652

IRISH FREE STATE EXPORTS TO CANADA

The total value of the few Saorstat exports to Canada amounted to £46,195 last year as against £29,884 in 1934, £22,532 in 1933, and a five-year average of £51,000. The chief exports last year were (1934 figures in parentheses): tissues of wool mixed with other materials, £21,943 (£10,653); woollen tissues, £10,800 (£9,029); raw wool, washed or scoured, £5,427 (£1,150); raw wool, greasy, £1,004 (nil); biscuits for human consumption, £2,161 (£1,807); drink (spirits, etc.), £670 (£940); briar pipes, £575 (£487); and parcel post, varied consignments, £2,312 (£1,185).

REVIEW OF AUSTRALIAN OVERSEA TRADE, 1934-35

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Melbourne, February 20, 1936.—The statistics of imports and exports of the Commonwealth of Australia for the fiscal year ending June 30, 1935, have recently been published by the Commonwealth Statistician, and an opportunity is afforded to review the trade returns for the fiscal period, with particular reference to Canada's participation in the overseas trade of Australia.

The total value of the Commonwealth's overseas trade for the period under review was £164,344,664, as compared with a total of £159,285,558 for 1933-34, being an increase of £5,059,106, or 3.1 per cent. Imports increased by £13,406,570, an advance of 22.5 per cent; and exports decreased by £8,347,464, a fall of 8.4 per cent. The value of exports per capita was £13 9s. 3d., compared with £14 16s. 2d. in 1933-34, while the value of imports per capita was £11 1s. 2d., as against £9 2s. 6d. in the previous year.

During 1934-35, Australia's trade with British countries amounted to £103,529,201, representing 62·9 per cent, and the total trade with foreign countries amounted to £59,611,629, or 36·3 per cent.

IMPORTS AND EXPORTS

Imports of merchandise in 1934-35 are valued at £72,421,007 as compared with £59,434,809 in the previous year. Exports of merchandise in 1934-35 totalled £81,859,956, the corresponding figures for 1933-34 being £89,956,788. Imports of bullion and specie in 1934-35 amounted to £1,698,489, and exports for the same year were £8,365,212. In 1933-34 the imports of bullion and specie totalled £1,278,117, and exports £8,615,844. A favourable balance of trade, exclusive of bullion and specie, amounting to £9,438,949 was recorded in 1934-35, as compared with a favourable balance, excluding bullion and specie, of £30,521,979 in the previous year.

SCHEDULE OF TRADE INCREASES OR DECREASES

A comparative schedule of the total trade of the Commonwealth for the last six years is as follows:—

	£ Sterling
Total trade decrease 1929-30 from 1928-29	33,825,250
Total trade decrease 1930-31 from 1929-30	106,344,693
Total trade decrease 1931-32 from 1930-31	20,148,276
Total trade increase 1932-33 from 1931-32	24,549,610
Total trade increase 1933-34 from 1932-33	4,674,473
Total trade increase 1934-35 from 1933-34	5,059,106

N.B.—The foregoing figures are shown in British currency in order to provide a basis of comparison. The remainder of the report, unless otherwise specified, will show Australian currency values for export statistics, and British currency for import statistics.

OVERSEA TRADE CLASSIFIED BY STATES

The relative importance of each State of the Commonwealth from the standpoint of overseas trade is illustrated in the following schedule, showing the values of imports and exports for the fiscal periods 1933-34 and 1934-35.

	1933-34		1934-35	
	Imports Sterling Currency	Exports Australian Currency	Imports Sterling Currency	Exports Australian Currency
New South Wales	£25,760,333	£ 42,242,005	£32,652,791	£ 37,729,232
Victoria	22,404,232	30,519,726	26,345,073	28,119,827
Queensland	4,647,838	19,617,628	6,297,499	18,302,879
South Australia	3,679,412	12,685,986	3,965,670	11,836,042
Western Australia	3,555,561	15,556,855	4,081,152	15,001,121
Tasmania	637,230	2,812,796	737,441	1,969,525
Northern Territory	28,320	6,303	39,870	27,411
	£60,712,926	£123,441,299	£74,119,496	£112,986,037

The above table shows direct shipments to and from the various States, and takes no account of transshipment, the figures being intended to show merely the value of direct overseas trade passing to and from each State.

AUSTRALIAN IMPORTS IN 1933-34 AND 1934-35

The comparative value of British and foreign goods imported into Australia is set forth as follows:—

	1933-34	1934-35	Increase
United Kingdom	£25,144,441	£30,788,929	+ £ 5,644,488
Canada	2,918,095	4,091,796	+ 1,173,701
Other British countries	7,755,927	8,403,539	+ 647,611
Total British countries. . .	£35,818,463	£43,284,263	+ £ 7,465,800
Total foreign countries. . .	23,387,531	28,977,726	+ 5,590,195
Total imports (excluding outside packages)	£59,205,994	£72,261,989	+ £13,055,995

The substantial increase in imports recorded during 1934-35 may be taken as an indication of the improved trading condition of the Commonwealth, and had world prices been higher for the leading primary products, which largely formed the basis of Australia's export trade (wool, wheat and dairy products), 1934-35 may have been regarded as a more or less normal period. Practically every important classification of imports show a substantial increase during 1934-35. The following is a comparative schedule setting forth the position:—

CLASSIFICATION OF AUSTRALIAN IMPORTS

Classes of Goods	1933-34	1934-35
Foodstuffs of animal origin, excluding living animals.	£ 942,686	£ 1,247,745
Spirituuous and alcoholic liquors.	554,474	637,003
Tobacco and preparations thereof.	718,282	1,342,796
Live animals.	94,670	163,058
Vegetable substances and fibres.	1,492,848	1,961,807
Apparel, textiles and manufactured fibres.	15,994,563	17,735,864
Paints and varnishes.	353,557	445,261
Machines and machinery.	4,264,733	6,567,671
Metals and metal manufactures, other than machinery.	8,784,863	12,733,761
Rubber and rubber manufactures.	666,350	896,692
Leather and leather manufactures, and substitutes therefor.	80,106	103,865
Wood and wicker, raw and manufactured.	1,403,049	1,847,866
Earthenware, cements, china, glass and stoneware.	1,018,224	1,380,865
Paper and stationery.	4,304,303	4,764,188
Jewellery, timepieces and fancy goods.	749,002	1,008,450
Drugs, chemicals and fertilizers.	3,384,857	3,537,218
Miscellaneous.	3,635,678	4,893,726

The only classification showing a substantial decrease during the period was animal substances (not foodstuffs).

COMMONWEALTH CUSTOMS DUTY COLLECTIONS

The following schedule gives the figures relative to free and dutiable imports into Australia, together with customs duties collected thereon:—

	1933-34	1934-35	Increase
Free imports of merchandise into Australia.	£24,359,167	£28,682,879	+ £ 4,323,712
Dutiable imports of merchandise into Australia.	35,075,642	43,738,128	+ 8,662,486
Specie and bullion imports.	1,278,117	1,698,489	+ 420,372
	£60,712,926	£74,119,496	+ £13,406,570
Customs duty collected (exclusive of primage).	19,055,857	21,884,654	+ 2,828,797

IMPORTS OF IMPORTANT COMMODITIES, 1934-35

The following import items, which largely make up the increase in imports during the year under review, may be of interest for comparative purposes (imports for 1933-34 shown within parentheses):—

Fish, fresh or frozen, £163,470 (£113,684); fish preserved in tins, etc., £686,594 (£529,531); sausage casings, £234,169 (£147,294); confectionery n.e.i., £20,613 (£10,854); dried fruits, £80,564 (£57,616); ginger, £37,376 (£28,730); hops, £8,437 (£438); infants' and invalids' foods, £53,677 (£40,111); mustard, £51,618 (£38,584); spices, £84,849 (£67,500); brandy (bottled), £20,333 (£15,184); whisky (bulk), £40,665 (£427,327); tobacco, unmanufactured, £1,300,520 (£678,138); horses, £120,322 (£49,203); gelatine, £18,314 (£9,889); hair and fibre, £83,176 (£66,032); hides and skins, £614,720 (£476,844); copra, £135,577 (£67,164); cork and cork manufactures, £120,692 (£86,690); hemp, £179,348 (£166,703); kapok, £144,065 (£112,938); gums and resins, £256,831 (£187,749); pulp for paper making, £265,162 (£250,165); linseed and linseed meal, £388,525 (£211,910); other seeds, £152,659 (£125,921); apparel and attire, £286,487 (£218,138); boots and shoes, £184,351 (£134,556); gloves, £327,524 (£288,558); fur felt hats, £66,539 (£47,656); trimmings and ornaments, £313,245 (£255,477); cosies, cushions, traycloths, etc., £64,511 (£38,183); carpets and carpeting, flour rugs and coverings, n.e.i., etc., £925,541 (£703,087); linoleums, oilcloths and similar floor coverings, £352,073 (£291,890); cotton n.e.i., £4,412,466 (£4,090,852); hessians and other jute piece-goods, £420,328 (£370,467); haircloth and cloth of hair and cotton or hair and wool, etc., £37,499 (£23,434); lace for attire, lace flouncings, etc., £136,331 (£120,431); linen, n.e.i., £203,305 (£151,045); silk or containing silk (includes silk, artificial, or containing artificial silk), £2,893,898 (£2,533,057); woollens, £244,068 (£178,484); other piece-goods, £396,245 (£273,815); quilts, table covers, sheets, counterpanes, bedspreads, tablecloths, towels, £233,150 (£156,066); sewing and other cottons, £532,768 (£479,119); cordage and twines, £208,926 (£124,190); yarns, £1,331,782 (£1,099,912); oils in bulk, £5,154,981 (£5,108,749); and waxes, £107,703 (£91,368).

Paints and colours, £430,007 (£342,928); asphalt, bitumen, and natural pitch, £217,807 (£157,328); adding and computing machines, £107,196 (£63,490); air and gas compressors and exhausters, £37,518 (£9,131); dairy implements and machinery, £142,418 (£114,578); covered cable and wire, £645,955 (£454,214); filament lamps for lighting and heating, £208,488 (£131,621); telephone switchboards, telephone distributing boards, etc., £152,653 (£71,251); other electrical machinery and appliances, £919,450 (£523,653); agricultural, horticultural, etc., machinery, £124,056 (£95,306); metal working machinery, £333,658 (£157,589).

Mining machinery £182,595 (£89,860); motive power machinery, £1,042,739 (£522,387); printing machinery, £215,865 (£113,679); sewing machines, £247,746 (£194,202); typewriters, £155,652 (£116,147); all other machines and machinery, £819,493 (£594,539); alloys, brass and other, £159,344 (£98,817); aluminium, £183,948 (£137,952); chain and chains, £73,354 (£33,851); iron and steel, £2,620,205 (£1,879,244); other lamps and lampware, £256,587 (£182,358); pipes, tubes and fittings therefor, £526,981 (£460,396); platedware and cutlery, £389,385 (£315,408); tools of trade, £751,207 (£585,142); total vehicles, £908,611 (£522,583); total motor cars, £4,488,941 (£2,795,239); vehicle parts n.e.i., £498,493 (£333,570); metal manufactures n.e.i., £1,091,613 (£812,828).

Crude rubber, rubber waste, etc., £639,573 (£434,248); total timber, £1,555,782 (£1,175,641); total wood manufactures, £211,629 (£174,267); crockery of earthenware, brownware, or stoneware, £267,577 (£180,434); total glass, £349,450 (£246,978); total glassware, £239,359 (£172,637); total tiles, £121,596 (£76,656); total printing paper, £1,837,220 (£1,726,627); total wrapping paper, £148,201 (£131,287); books (printed) music, periodicals, and newspapers, £938,008 (£790,939); pens and pencils, £170,517 (£132,025); fancy goods, £419,114 (£359,159); jewellery, £257,550 (£169,861); total timepieces, £331,786 (£219,982); surgical and dental instruments, etc., £290,903 (£223,759); total scientific instruments, £107,274 (£85,249); total acids, £108,067 (£89,844); dyes, £270,754 (£232,155); total sodium, etc., £407,644 (£392,958); explosives n.e.i., £117,300 (£104,195); gelignite, £98,407 (£66,462); total bags, baskets, etc., £117,391 (£126,980); total brushware, £154,625 (£113,303); and total musical instruments, £77,289 (£55,461).

AUSTRALIAN IMPORTS FROM BRITISH AND FOREIGN COUNTRIES

The following tables show imports from British and from foreign countries to Australia during 1933-34 and 1934-35:—

Imports from British Countries

	1933-34		1934-35	
	£	Per Cent	£	Per Cent
United Kingdom	25,144,441	42.47	30,788,929	42.61
Canada	2,918,095	4.93	4,091,796	5.66
Ceylon	718,563	1.22	795,307	1.10
India	2,926,181	4.94	2,541,448	3.52
Malaya (British)	328,720	0.56	563,246	0.78
New Zealand	1,392,469	2.35	1,480,093	2.05
Pacific Islands	1,705,846	2.88	2,334,157	3.23
Union of South Africa	137,456	0.23	177,063	0.24
Other British possessions	546,692	0.92	512,224	0.71
Total British countries	35,818,463	60.50	43,284,263	59.90

Imports from Foreign Countries

	1933-34		1934-35	
	£	Per Cent	£	Per Cent
Belgium	368,219	0.62	477,864	0.66
China	285,514	0.48	364,127	0.50
Egypt	18,808	0.03	13,967	0.02
France	956,335	1.62	862,147	1.19
Germany	1,920,676	3.24	2,145,315	2.97
Italy	588,260	0.99	557,438	0.77
Japan	3,676,737	6.22	4,624,740	6.40
Netherlands	389,669	0.66	504,573	0.70
Netherlands East Indies	3,060,233	6.69	4,390,327	6.07
Norway	340,325	0.57	382,671	0.53
Pacific Islands	39,054	0.07	18,446	0.03
Philippine Islands	59,733	0.10	79,885	0.11
Spain	139,366	0.22	164,313	0.23
Sweden	782,780	1.32	828,283	1.15
Switzerland	451,030	0.76	462,023	0.64
United States	7,839,250	13.24	11,041,660	15.28
Other foreign countries	1,581,542	2.67	2,059,947	2.85
Total foreign countries	23,387,531	39.50	28,977,726	40.10
Total, all countries	59,205,994*	100.0	72,261,989*	100.0

* Excluding outside packages, 1933-34, £1,506,932; 1934-35, £1,857,507.

EXPORTS FROM AUSTRALIA, 1933-34 AND 1934-35

The following table shows the total value of exports from the Commonwealth during the last two fiscal periods, illustrating Australian trade within the Empire and with foreign countries:—

	1933-34	1934-35	Inc. or Dec.
United Kingdom	£ 63,955,032	£ 63,569,634	—£ 385,398
Canada	1,336,023	1,444,063	+ 108,040
Other British countries	8,045,036	9,603,396	+ 1,558,360
Total British countries	£ 73,336,091	£ 74,617,093	+£ 1,281,002
Total foreign countries	50,105,208	38,368,944	— 11,736,264
Total exports	£ A123,441,299	£ A112,986,037	—£10,455,262
The estimated British currency values are	£ 98,572,632	£ 90,225,168	—£ 8,347,464

The decrease in total exports for 1934-35 as against 1933-34 was very largely accounted for by the unfavourable state of the wool market overseas. Although the quantities of wool exported during 1934-35 exceeded that of the previous year, the returns amounted to only £39,266,430 as against £57,125,526 (Australian currency values). The returns to the wheat growers, although not satisfactory in 1934-35, were somewhat better than in the previous year, the totals being £11,612,368 and £8,873,987 respectively.

Some principal export items were:—

Total meats, £8,846,850 (£7,096,719); dried fruits, £2,165,434 (£2,651,685); fresh fruits, £1,821,967 (£2,011,731); grain and pulse (unprepared), £12,134,488 (£9,275,381); grain and pulse (prepared), £5,267,556 (£3,563,576); sugar, £2,197,789 (£2,296,900); wine, £812,188 (£803,388); live animals, £194,419 (£144,782); hides and skins, £3,505,753 (£4,391,172); greasy wool, £34,213,427 (£49,861,653); unrefined tallow, £928,838 (£495,093); concentrates (except gold), £759,296 (£816,439); ores, clays and mineral earths, £331,253 (£68,836); machines and machinery, £599,268 (£471,223); iron and steel, £365,183 (£200,071); lead, £2,416,697 (£2,421,164); metals and manufactures thereof, other than machinery, £4,520,852 (£4,561,488); total timber, £796,380 (£503,718); paper and stationery, £212,902 (£185,452); jewellery, timepieces and fancy goods, £129,145 (£128,447); optical, surgical and scientific instruments, £291,682 (£249,630); medicines, £110,966 (£91,761); soap, £83,930 (£119,808); butter, £9,586,776 (£8,194,220).

British countries took 66 per cent of the total exports of Australia, the remaining 33·9 per cent going to foreign countries.

EXPORTS OF SHIPS' STORES

The value of stores shipped on board oversea vessels in Australian ports is not included in the general exports. These in 1933-34 totalled £1,620,907, and in 1934-35 £1,712,547.

CLASSIFICATION OF AUSTRALIAN EXPORTS, 1934-35

The following schedule indicates the various classifications of Australian exports in 1934-35:—

	Australian Currency
Foodstuffs of animal origin, excluding living animals	£ 20,726,770
Foodstuffs of vegetable origin, non-alcoholic beverages, and substances used in making	25,114,111
Spirituous and alcoholic liquors	972,231
Tobacco and preparations thereof	172,439
Live animals	194,419
Animal substances (mainly unmanufactured) not foodstuffs	43,179,994
Vegetable substances and fibres	326,385
Apparel, textiles, and manufactured fibres—	
(a) Apparel	181,877
(b) Textiles	261,492
(c) Yarns and manufactured fibres	133,572
Oils, fats, and waxes	1,050,329
Paints and varnishes	101,128
Stones and minerals, including ores and concentrates	1,402,777

CLASSIFICATION OF AUSTRALIAN EXPORTS, 1934-35—*Concluded*

	Australian Currency
Metals, metal manufactures and machinery—	
(a) Machines and machinery	599,268
(b) Metals and metal manufactures, other than machinery ..	4,520,852
Rubber and leather, and manufactures thereof, and substitutes therefor—	
(a) Rubber and rubber manufactures	73,104
(b) Leather and leather manufactures and substitutes therefor	514,667
Wood and wicker, raw and manufactured	913,045
Earthenware, cements, china, glass and stoneware	145,857
Paper and stationery—	
(a) Paper	56,926
(b) Stationery and paper manufactures	155,976
Jewellery, timepieces and fancy goods	129,145
Optical, surgical, and scientific instruments	291,682
Drugs, chemicals and fertilizers	586,449
Miscellaneous	725,101
Gold and silver, and bronze specie	10,456,441
Total, all classes	£112,986,037
Estimated British currency value	£ 90,225,168 stg.

AUSTRALIAN EXPORTS TO BRITISH AND FOREIGN COUNTRIES, 1933-34 AND 1934-35

The following comparative schedule gives particulars in respect to Australian exports (including bullion and specie) to British countries in 1933-34 and 1934-35:—

Exports to British Countries

	1933-34		1934-35	
	£	Per Cent	£	Per Cent
United Kingdom	63,955,032	51.81	63,569,634	56.26
Canada	1,336,023	1.08	1,444,063	1.28
Ceylon	421,499	0.34	648,187	0.57
India	610,159	0.49	785,815	0.70
Malaya (British)	1,015,315	0.82	1,315,822	1.17
New Zealand	2,962,335	2.41	3,617,339	3.20
Pacific Islands	1,222,703	0.99	1,348,350	1.19
Union of South Africa	247,278	0.20	316,381	0.28
Other British possessions	1,565,747	1.27	1,571,502	1.39
Total British countries	73,336,091	59.41	74,617,093	66.04

Exports to Foreign Countries

	1933-34		1934-35	
	£	Per Cent	£	Per Cent
Belgium	7,470,984	6.05	6,080,381	5.38
China	914,806	0.74	2,472,262	2.19
Egypt	370,234	0.30	639,654	0.57
France	6,517,380	5.28	4,731,952	4.19
Germany	9,439,054	7.64	1,738,481	1.54
Italy	4,600,423	3.73	995,827	0.88
Japan	13,906,256	11.27	12,095,514	10.71
Netherlands	455,328	0.37	927,723	0.82
Netherlands East Indies	1,149,167	0.93	1,186,023	1.05
Norway	2,937	.....	7,439	.....
Pacific Islands	285,637	0.23	335,639	0.30
Philippine Islands	348,177	0.28	324,053	0.29
Spain	157,521	0.13	559,912	0.50
Sweden	250,898	0.21	240,751	0.21
Switzerland	225,321	0.18	196,265	0.17
United States	2,512,431	2.04	2,757,935	2.44
Other foreign countries	1,498,654	1.21	3,079,133	2.72
Total foreign countries	50,105,208	40.59	38,368,944	33.96
Total all countries (Australian currency)	123,441,299	100.00	112,986,037	100.00

The estimated British currency values are: 1933-34, £98,572,632 sterling; and 1934-35, £90,225,168 sterling.

STATE AID TO AGRICULTURE IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, February 26, 1936.—The rehabilitation program for the agricultural industry in the Union of South Africa is slowly making headway, and conditions at the present compare favourably with those existing at any time during the past five years.

Government assistance has played a large part in the general improvement now being experienced, the most important of which was the taking over of farm mortgages by the Land Bank, and the interest-subsidy scheme. Jointly these two schemes absorbed approximately £9,000,000 during the twenty-four months ending March 31, 1935. Since the inception of export subsidies in 1931 and up to August 31, 1935, £8,392,000 has been paid out.

The Farmers Assistance Act of 1935 is the most recent scheme launched by the Union Government to assist farmers, and £5,500,000 was voted for its administration. Expenditures coming under this Act include purchase of pure-bred stock.

LIVE-STOCK INDUSTRY

Reductions in railway rates in 1935 resulted in a saving to the producers of £149,900. It is estimated that £45,600 of this amount was saved by the concessions granted to shippers in drought-stricken areas, when the rate granted on shipments of live cattle was reduced to one-eighth of the ordinary rate, and on shipments of feed to one-quarter of the ordinary rate. The remainder consisted of savings due to a reduction of 50 per cent on shipments of slaughter cattle and chilled beef. This reduction is granted on shipments of slaughter cattle transported over 78 miles, and on pigs, goats, and sheep transported over 130 miles.

Owing to depressed conditions in the wool market at the beginning of 1935, the Government guaranteed advances against the wool clips which were made by the commercial banks. This obviated the necessity of forced selling at that time.

In order to stimulate the internal consumption of milk and dairy products, the Government initiated a scheme to supply, at reduced prices or gratis, milk, butter, and cheese to certain charitable institutions and schools. The sum of £93,000 was voted for this purpose.

CORN

Corn producers have suffered greatly during the past five or six years, and in spite of various measures of assistance granted, are at the present time in an unsatisfactory condition. The Mealie Control Act provided price-supporting measures, and the Maize Industry Control Board has had a steadying influence, but it would appear that, although these artificial measures have been beneficial to the producer, the industry will have to adopt new practices in order to succeed. Instead of producing corn solely for export, which is the present object—on which export subsidies amounting to £662,000 have been paid—the producers will have to adopt a system wherein stock farming will play a greater part.

WHEAT

The importation of wheat into the Union is prohibited except under permit. This has been of great benefit to the producers, especially as it is stipulated that imported wheat can only be released at a price of 22s. 6d. per bag of 200 pounds. Apart from this, wheat growers were assisted last year to the extent of £186,000, in addition to the issue of seed wheat in some districts. It is not to be expected, however, that present prices of wheat can be maintained, as

during the past season South Africa for the first time produced a surplus. Storage facilities are limited, and if exported there will be a considerable loss to the growers whose cost of production is high in comparison to that of wheat-exporting countries with which they would have to compete in foreign markets.

The attempt made several years ago to fix the price of wheat at 22s. 6d. per bag has brought about the present situation, the success of which in the past induced farmers all over the country to concentrate on the production of wheat. Opponents of the high price fixed have maintained that it would have been better to fix a lower price, thereby encouraging consumption and discouraging over-production. Internal consumption of wheat, corn, butter, sugar, and meat could be considerably increased, provided these commodities were brought within the reach of the low-wage earners who predominate within the Union. A special committee appointed by the Government has been working on the subject of internal prices of agricultural commodities.

PRESENT CONDITION AND FUTURE OF THE INDUSTRY

South Africa is primarily a pastoral country, and there is a strongly growing tendency to turn to mixed farming. The protection accorded to wheat growers and the subsidy schemes for corn have tended to increase production of these two commodities.

LIVE STOCK

The Live-stock and Meat Industries Act, 1934, provided the facilities for the systematic improvement of the cattle herds of the Union, and its beneficial effects are now becoming evident in the slaughter cattle. Material progress has been made during recent years in the wool industry, and in dairy herds, and the improvement in slaughter cattle will also materially benefit the live-stock industry.

The matter of pasture improvement is also a live question at the moment. Drought periods, coupled with over-stocking and soil erosion, have depleted many of the former good pastures of the Union, and they are now incapable of carrying stock to any great extent or for any length of time at one period. Active steps have been taken to change the general practices employed, and the Government are also considering the question of creating special pasture reserves in order to assist the industry.

DAIRY INDUSTRY

The dairy industry in South Africa is on the up-grade. The fifty-eight registered creameries annually produce over 25,000,000 pounds of butter, while the 109 cheese factories have reached a production of nearly 9,000,000 pounds of cheese. (A report dealing separately with butter and cheese production appeared in *Commercial Intelligence Journal* No. 1668: January 18, 1936.) Much of the butter and cheese produced is exported, but steps are being taken to increase local consumption.

A bounty is paid on all butter and cheese exported. The recent order of the Dairy Control Board that 1,000,000 pounds of butter should be exported by February 5, and 500,000 pounds of cheese by March 15, established the bounty to be paid at 2d. per pound for first-grade and 1d. per pound for second-grade butter. Bounties for cheese were fixed at 5d., 4½d., and 4d. for first, second, and third grades respectively. Last year the total amount of bounty paid on butter exports amounted to £213,884, and on cheese to £42,781.

FRUIT

The fruit industry in South Africa has been steadily progressing and is in a very healthy state. Over the past five years the export volume has increased from 32,000 tons to 71,000 tons. Prices received have been generally remunerative, but severe competition is now being encountered. The importance of Great Britain as a market is indicated by the fact that 94 per cent of the total exports in 1935 were marketed there. The competition now being experienced, however, is forcing the growers to consider seriously changing some of their methods, particularly in regard to the preparation and handling of their fruit before shipment abroad.

Proposed Control Board.—At the annual general meeting of the South African Co-operative Deciduous Fruit Exchange, held in November, 1935, the principle was adopted of the appointment of a "Control Board for the Fruit Industry," with statutory powers. It was felt that if measures generally agreed on by the growers as being in the common interest were to be carried out, such a step was necessary. The proposed powers would include regulation of supplies, marketing, control of levy funds, and compiling and filing of grading regulations for all fruits.

TOBACCO

The tobacco industry has been unsteady since 1932, due to surplus production. The activities of the Tobacco Industry Control Board, plus reduced crops, have tended to ease the situation, and conditions are better now than they have been for some years. Greater concentration on flue-cured tobacco has proved beneficial, and a new arrangement with Southern Rhodesia regarding imports has been of assistance to the producers.

SUGAR

The value of the sugar produced annually in South Africa is approximately £7,000,000; local consumption accounts for one-half of this value. The tendency at the moment is to increase the acreage, which, together with the fact that local consumption is increasing, is taken as an encouraging sign for this industry.

LOCUST PLAGUES

Locust plagues have been serious in South Africa during recent years. It is officially stated that £2,855,657 has been spent in an attempt to control them since 1920, of which £949,681 was expended during 1935 as compared with £692,673 and £12,677 in the two previous years. The prepared bait which is to be used in control operations in the future is made up of ninety-two parts corn meal, seven of molasses, and one of arsenate of soda.

SOIL EROSION

Soil erosion has been a subject of intensive study in South Africa, and active anti-erosion schemes which have yielded excellent results were launched in 1933. Since that date £497,000 has been spent by the Government in assisting farmers. An important item under these schemes is the construction of catchment basins for water. These have more than paid for themselves in tiding live stock over dry periods and also serving as a source of water supply for small irrigation schemes, particularly in regard to permitting small acreages of alfalfa to be ground as supplementary feed for live stock.

CONDITIONS IN JAMAICA IN 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

II

PRODUCTION AND PRICES

BANANAS

As has been stated in the first section of this report, shipments of bananas during 1935 totalled 20,379,326 stems. Their f.o.b. value was £2,174,406, representing 59·08 per cent of the island's total domestic exports. The United Kingdom was again the largest customer, taking 16,120,700 stems valued at £1,694,957; shipments to Canada totalled 2,352,672 stems (£281,765); to the United States, 1,079,534 stems (£110,126); to Holland, 826,382 stems (£87,551); and to the Turks Islands, 38 stems (£7). Total shipments were 15,974,906 stems in 1934, 10,557,369 in 1933, 20,360,613 in 1932, 22,335,605 in 1931, and 24,596,585 in 1930.

COMPANY AND ASSOCIATION SHIPMENTS

As in former years, the United Fruit Company was the largest single exporter—11,500,000 stems, representing 56·4 per cent of the total exports. The Standard Fruit and Steamship Company shipped approximately 4,519,000 stems (22·2 per cent) and the Jamaica Banana Producers Association about 4,360,000 stems (21·4 per cent). The percentages in 1934 and 1933 were respectively: United Fruit Company, 57·8 and 50; Standard Fruit and Steamship Company, 22·6 and 22; Jamaica Banana Producers Association, 19·6 and 27. In 1933 there were inconsiderable shipments, which accounted for 1 per cent of the total, made by two small companies.

SUGAR

The 1934-35 sugar crop yielded 76,753 long tons, of which 90·16 per cent was exported, according to law, the remainder being retained in the island for consumption at prices fixed by the Government. The purpose of this arrangement is to help to preserve the sugar manufacturing industry, which gives employment to large numbers of persons and in which a great deal of capital is invested.

In recent years the area cultivated in cane has been notably increased, field work has been improved by the extended use of fertilizers and also of mechanical tillage, some new machinery has been installed, and the output of rum, which at one time had almost become a drug in the world's markets, has been greatly curtailed. There has ensued a considerable increase of sugar production. The 1935-36 crop is estimated at 85,625 long tons, of which probably 85 per cent will be exported. This is a noteworthy figure for modern times: the 1927-28 crop was 59,720 tons, and the crops in many preceding years were even smaller.

Total exports of sugar in 1935 were 68,939 long tons valued f.o.b. at £558,464, of which Canada took 61,848 tons (£501,037), the United Kingdom 7,063 tons (£57,057), the Bahamas 18 tons (£274), and the Cayman Islands 10 tons (£96). The average f.o.b. value during the year was about £8 per ton; it has since declined somewhat. The 1935 issue by the British Government of bounty certificates against imports of Jamaican sugar into the United Kingdom was sold, as usual, and the proceeds were divided among the planters.

RUM

Exports of rum, a by-product of the sugar-cane, totalled 466,259 gallons (£149,998 f.o.b.) during the year under review, as compared with 459,798 gallons

(£135,803) in 1934. The 1934-35 rum crop yielded 7,280 puncheons (of about 110 imperial liquid gallons each), and that of 1935-36 is estimated at about 7,600 puncheons. For the past few years distilling has been controlled by law in order to check over-production, and prices have consequently improved. During 1935 the average f.o.b. value of ordinary unaged Jamaica rum in bulk was 3s. 3d. per imperial liquid gallon of about 45 overproof strength, in bond.

COFFEE

The coffee crop was short, due mainly to drought, although shipments exceeded those made in 1934, when they totalled 7,132,563 pounds (£168,091 f.o.b.). Total exports in 1935 were 7,593,697 pounds (£153,452 f.o.b.). The appreciable decrease in value during that year is said to have been mainly caused by the depressed state of the world's markets for this commodity, which in turn is the result of excessive output in Brazil and other large producing countries from which supplies have been obtainable at low prices. The appearance during recent years of Kenya Colony as a large producer of coffee, which is shipped both to Great Britain and to Canada, undoubtedly has had some effect upon the demand for the Jamaican product. Canada is Jamaica's largest customer for coffee.

At the close of 1935 "good ordinary" Jamaican coffee was worth about 28s. 6d. per 100 pounds f.o.b. Kingston and "Manchester" about 32s. "Blue Mountain," a special grade, which is shipped on consignment to London, yielded from 112s. to 212s. c.i.f. that port per 112 pounds, with an average of about 160s.

COCONUTS

Total exports of coconuts in 1935 were 37,256,680 nuts (£91,187 f.o.b.) as compared with 37,144,647 nuts (£96,746) in 1934. Up to a few years ago large quantities of copra were annually shipped, but this trade has practically ceased because of the local demand for coconuts for making soap and edible oils—industries of recent establishment. Copra is now worth about £3 per long ton more in Jamaica than in England or the Continent, the price in the latter market being about £15 per ton. At the close of 1935 the export values of coconuts were about 5s. 6d. per 100 f.o.b. for select and 5s. per 150 for culls.

LOGWOOD EXTRACT

Logwood extract was exported during 1935 in the total quantity of 24,972 cwts. of 122 pounds (£83,573 f.o.b.) as compared with 23,516 cwts. (£78,256) in 1934. This article has been made in Jamaica for many years.

PIMENTO

Exports of pimento in 1935 were 8,047,863 pounds (£80,725 f.o.b.) as against 12,150,678 pounds (£96,348) in 1934. The year's crop was small, due to the prevalence of some kind of blight which for several months past has been under investigation by a Canadian agricultural scientist. The carry-over at the close of 1935, when the f.o.b. Jamaican price was about 45s. per 100 pounds, amounted to only a few thousand bags. During the year prices declined considerably when speculators withdrew from the market, but subsequently improved and exceeded that figure by several shillings in the first two months of 1936.

GINGER

Ginger yielded a good crop; total exports in 1935 were 2,879,017 pounds (£69,938 f.o.b.) as against 2,394,699 pounds (£64,579) in 1934. Prices at the end of 1935 ranged from 35s. to 45s. per 100 pounds f.o.b. Kingston according to quality.

ORANGES

Oranges were exported in the total quantity of 143,597 boxes (£56,625 f.o.b.); exports in 1934 totalled 78,555 boxes (£32,572); and in 1933, 92,501 boxes (£42,835). The low figures for 1934 were due to a poor crop resulting from abnormally heavy rains. Canada in 1935 was again the largest buyer. During the past couple of years considerable quantities of Jamaican oranges have been shipped to New Zealand, which took over 32,000 boxes in 1935. The volume of this export business is now regulated by quota, agreed upon between the New Zealand and Jamaican authorities.

GRAPE-FRUIT

Grape-fruit exports were abnormally small, totalling 8,716,631 in number (£47,170 f.o.b.); in 1934 they were 16,736,562 (£78,370). The reason for the decline is stated to be low prices resulting from heavy production in the United States and elsewhere; but Jamaica has not yet developed to any appreciable extent the production of seedless varieties, which are in demand in the large consuming countries. The Government of Jamaica has established nurseries from which suitable varieties are distributed to planters, and, generally, is doing much to encourage improvement of cultivation. Attention is also being given to the prospects of canning the fruit and the juice.

OTHER PRODUCTS

Total exports of cocoa in 1935 were 5,078,775 pounds (£47,111 f.o.b.) as compared with 4,439,480 pounds (£42,708) in 1934. The 1935 crops (there are two per annum, in the spring and fall respectively) were small. Prices at the end of the year were, per 100 pounds, 22s. 6d. for ordinary and 23s. 6d. for fermented grades.

Logwood, a fairly important commodity, and more so when considered together with its extract (see above) was exported in 1935 to the total quantity of 16,076 long tons (£42,992 f.o.b.) as against 12,028 tons (£32,137) in 1934.

Cigars showed some improvement in exports during 1935 over those of 1934 when shipments totalled 34,728 pounds (£18,315 f.o.b.). The 1935 total was 35,618 pounds (£20,316).

Honey exports in 1935 totalled 1,872,400 pounds (£13,585 f.o.b.). Total exports in 1934 were 1,623,214 pounds (£16,360). Export values are of course affected by world economic conditions. The 1935 honey crop is stated to have been small, and prices at the close of the year are given as from 1s. 6d. to 2s. 6d. per gallon f.o.b., according to grade.

Essential oils, chiefly of orange, pimento and lime, yielded a fair output, especially as to orange oil, and were worth at the end of 1935 about 5s. per pound f.o.b. Exports of these three kinds totalled 6,141 gallons (£12,860 f.o.b.) in 1935 as against 7,406 gallons (£10,071) in 1934.

Besides the above fifteen items, which are listed in order of importance and represent in their aggregate £3,617,041 or 98·3 per cent of Jamaica's total domestic exports (as regards value) during 1935, the colony shipped in that year small quantities of annatto, fruits and vegetables, hides and skins, lime juice, various kinds of woods, and some other articles, which are usually considered as "minor products." As to these, it may be mentioned that the Jamaica Government has established in Kingston a useful experimental marketing station equipped with a model farm, laboratory and cold storage plant, where experiments are made in shipping egg-plants, avocado pears, potatoes, sweet peppers, mangoes, tomatoes and other fruits and vegetables, and where research work in growing, canning, packing and storage is also carried out. The object is to assist the development of a local export trade in vegetables and small fruits.

Experimental shipments made to England, Canada, and Curacao have yielded satisfactory results.

CO-OPERATIVE AGRICULTURE

A law was passed to give the Jamaica Banana Producers Association Ltd. a government guarantee not exceeding £10,000 in order to enable the association to pay its contractors at time of delivery a price equivalent to the open market price being paid for bananas by the two fruit companies engaged in the trade. Under this arrangement the association does its own financing. It was also guaranteed a moratorium in respect of payments to the Jamaica Government of 2d. per stem on bananas handled during 1935. These payments are normally made against government guarantee, given when the association was formed, in order to finance the purchase of ships. A further measure of assistance extended by the government to the association during 1935 was the passing of a law amending the existing Produce Protection Law and especially designed to prevent illegitimate buying of and dealing in bananas.

During 1935 the association paid its members 2s. per stem as provided, and some further pence per stem by way of dividend on trading profits. Final payments for the year's pool have not yet been declared. The fruit companies paid, as before, varying prices for bananas purchased under contract and in the open market. It is of interest to note that one of these companies offered planters a contract containing a scale of prices varying directly with the wholesale price of bananas in Great Britain.

The Jamaica Citrus Producers Association Ltd. and the Jamaica Coconut Producers Association Ltd.—both co-operative concerns, the former engaged in packing and exporting oranges and grape-fruit and the latter in shipping coconuts and in manufacturing edible coconut oil for the local trade—operated satisfactorily, all things considered, during 1935. Competition in the local edible oil manufacturing trade is keen, as there are two or three private concerns engaged in it besides the co-operative body just mentioned.

LOCAL INDUSTRIAL DEVELOPMENT

During 1935 two new factories were built, to make, respectively, leather boots and shoes and edible coconut oil; the latter is the third of its kind to be established in Jamaica, and they both began operations early in the present year.

An interesting feature of Jamaica's economic situation is the development during the past ten years or so of small manufacturing industries, using locally produced raw material wholly or partly and aided in many cases by increases in the customs duties on similar imported articles.

The principal factory products are aerated waters, beer, biscuits, cigarettes, confectionery, edible oil, logwood extract, matches, pickles, preserves, sauces and condiments, rope, laundry soap, tiles, and wooden furniture; there are also several tanneries making sole leather of good quality. Of these industries, aerated waters, cigarettes, logwood extract, pickles, preserves, sauces, etc., wooden furniture, and also sole leather ante-date by many years the development just noted. Logwood extract is produced solely and pickles, preserves, sauces, etc., to some extent, for export, but the other articles are used mostly in the island. Grape-fruit is canned in a small way, and there are some other minor manufacturing pursuits.

In May last the Jamaica Legislative Council passed, at the instance of the Government, a "Law to Safeguard Local Industries and Trades," of which the main provision is that, subject to approval by the Secretary of State for the Colonies, the Governor may require a licence to be obtained from him (the Governor) by any person or persons wishing to engage in any kind of trade

or business whatever, including the operation of factories; and that in case of refusal of such licence, the granting or refusal of which lies solely and finally in the Governor's discretion (subject to approval by the Secretary of State for the Colonies, in case of refusal), the business or trade shall not be engaged in by the person or persons so refused.

BUSINESS FAILURES

During 1935 there were 347 cases of bankruptcy in Jamaica as compared with 416 in 1934. Total liabilities were £55,250 as against £85,879 in 1934, and assets were listed at £8,327 as compared with £14,593.

GENERAL CONDITIONS IN SWITZERLAND IN 1935

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One Swiss franc equals \$0.192 at par and approximately \$0.32 or one-third of a dollar at present rate of exchange; one metric ton equals 2,205 pounds; one hectolitre equals 22 gallons; and one kilo equals 2.2 pounds.)

Rotterdam, March 10, 1936.—The past year was for Switzerland one of continued depression and no signs of general improvement can be recorded. There were regressions in foreign trade, increased deficits in public finance, a high rate of unemployment, and industry—with only certain exceptions—was definitely in a less advantageous position than in 1934.

Decreased returns from investments abroad and heavy fiscal charges have contributed to reduce the purchasing power of individual consumers, resulting in a curtailment of sales on the domestic market. The building trades and textile factories were particularly hard hit in the last twelve months. New and widening quota restrictions brought considerable reduction in imports and the railway revenues also declined. Financially, the year was one of considerable strain and readjustments are necessary in the accounts of the various governmental bodies.

Some branches of industry such as watchmaking registered gains in 1935, while the machine and metal industries managed to retain their positions. These are among those industries peculiar to Switzerland which call for a high degree of precision and workmanship.

STATE FINANCES

Since 1932 the Confederation accounts have shown repeated deficits in spite of new revenues derived from crisis taxes, increased tariff rates, and higher levies on dividends. The last year witnessed an even greater recession and decisive measures are urgently needed to maintain the national credit.

With expenses estimated at 478,000,000 francs and receipts at 436,000,000 francs, the 1935 budget anticipated a deficit of approximately 42,000,000 francs. A provisional estimate for 1936 forecasts a deficit of almost 100,000,000 francs without inclusion of the large sums necessary to balance the accounts of the Federal railways, whose engagements are guaranteed by the state. The tentative financial program provides for an improvement in the general position of 130,000,000 francs per annum, to be secured through economies of 53,000,000 francs in expenditures and through new receipts amounting to 77,000,000 francs. This new income is to be furnished by increases in the crisis taxes, higher rates of duty—among others in those on wheat, oils, and greases—and a heavier levy on dividends: half of the sums so raised to be devoted to the improvement of the railway accounts.

At the end of 1934 the total debt of the Confederation amounted to 2,266,000,000 francs as compared with 2,182,000,000 francs at the end of 1933. No loans for new money were secured during 1935.

Most of the cantonal and communal finances are in much the same state as those of the Confederation, partly due to the depression and partly to expenditures which were unreasonable in view of prevailing circumstances. The limit has more or less been reached where new loans can any longer be successful and where the people's income can meet new or increased taxation.

BANKING AND FINANCE

The money market was very disturbed during the past year by the variations in foreign exchange, particularly after the devaluation of the belga. Foreign creditors, fearing similar inflationary action, withdrew their money from Switzerland and the volume of forced sales depressed the stock and bond markets. Doubt as to the stability of the Swiss franc was also felt in the country itself and there was a considerable flight of domestic capital, as well as foreign, to London and New York.

To meet these demands the National Bank released gold and its reserves of this metal declined from 1,909,800,000 francs on January 1 to 1,365,000,000 by the end of April, and to less than 1,200,000,000 francs at the beginning of June. Some of this gold had been accumulated by the National Bank for this express purpose if the need arose, and it should be noted that, correspondingly, such payments reduced the total of Swiss foreign engagements. With returning confidence, particularly after the voters' rejection of the proposed inflationary measures under the title of "crisis legislation," the situation improved and, aided by speculative buying, 200,000,000 francs of gold were repatriated, bringing the gold reserves of the National Bank up to 1,388,800,000 francs on December 31, 1935.

DISCOUNT RATES

On May 3, for the first time since January, 1931, the National Bank modified its discount rate, raising it from 2 to $2\frac{1}{2}$ per cent, at which level it still stands. Nevertheless the private discount rate for first-class bank and commercial paper never exceeded 3 per cent, and sight engagements were more noticeable in the last twelve months than in the past five years, but by last December most of the discrepancies had been removed. Bank notes in circulation amounted to 1,366,300,000 francs at the end of 1935, as compared with 1,440,300,000 francs in 1934, and had a gold coverage of 101.7 per cent against 132.6 per cent at the close of the previous year.

Total sight engagements were 79 per cent covered by gold or gold exchange—a high figure against those of other countries, but considerably below the comparative percentage coverage on December 31, 1934, of 92.85.

By Federal decree of October 2, 1935, the note-issuing privilege of the Swiss National Bank, which expired in 1934, was prolonged without any modification until 1947. The Federal Act concerning commercial and savings banks came into force on March 1, and since then the Federal Bank Commission provided thereby has been set up. The uncertainties arising through the attacks on the franc resulted in substantial withdrawals of funds from and decreases in the amounts of new capital available to all classes of banks.

The quarterly statements of the large commercial banks, where important foreign accounts are usually maintained, reflect these factors very definitely in a fall of total balances from 5,090,000,000 francs as at the end of September, 1934, to 4,251,000,000 francs at the close of the corresponding quarter in 1935.

CAPITAL MARKET

The capital market was relatively quiet, investors not being overly anxious to place their funds out at long term. Foreign investors were noticeable by their absence. Due to the uncertain conditions spreading from the money market, some loans, including several cantonal ones, were entirely unsuccessful.

Total loans issued in 1935 amounted to 488,486,000 francs, of which 329,506,000 were conversions, leaving a balance of 158,980,000 francs of new money demanded from the market. In 1934 total loans were not much higher at 522,717,000 francs, but as only 94,435,000 francs were for conversions, the sum of 428,282,000 francs was released as new money. Confidence in the issuer now appears to be a more decisive factor than in the actual rate of interest offered.

Mortgages are not selling well due to the policy of deflation in the value of real estate. Higher rates may therefore be anticipated unless some amelioration in the market occurs.

STOCKS AND BONDS

The stock and bond markets began the year very quietly. But with the beginning of the attacks against the franc and the dumping of even first-grade bonds and shares, principally for foreign account, there was increased activity, particularly in April and May. The leaders suffered for some time, but the low quotations finally interested domestic investors. Some funds released through bond sales were promptly reinvested in first-grade stocks. The general stock index figure (ninety-three stocks) on December 23 stood at 96.26 as compared to 89 on December 22, 1934. Similarly the index of bank shares fell from 87 to 51, for other (thirty-five) financial institutions from 62 to 47, and for insurance companies from 539 to 473.

These declines were mostly due to the disturbances arising from abroad such as the financial position in France with its accompanying fear for devaluation, the Belgian devaluation, and the summer crisis in Holland. Nevertheless these factors called for increasing speculation, and the movement on the Swiss stock exchanges was greater in 1935 than in 1934, comparative turnover figures for the Zurich exchange being 3,283,600,000 francs and 2,834,000,000 francs respectively. Industrials closed firmer, the index for twenty-six stocks rising from 151.6 on December 22, 1934, to 163.5 on December 23, 1935, chemicals, machines, and foodstuffs contributing principally to this improvement.

RAILROAD TRAFFIC

The State Railways had a difficult year, both passenger and freight traffic having declined. In the first eleven months of 1935 total receipts amounted to approximately 288,000,000 francs, thus demonstrating, as compared with those for the same period in 1934, a reduction of 17,000,000 francs. To balance the profit and loss account, receipts for the January-November period of 1935 should have exceeded expenses by 138,000,000 francs.

Actually this excess was only 77,000,000 francs, and therefore a considerable deficit for 1935 operations may be expected, which will have to be added to the debit balance of 132,000,000 francs mentioned in the balance sheet of December 31, 1934. The budget for 1936 outlines a new deficit of 70,000,000 francs, and no improvement appears to be possible until receipts more nearly cover expenditures.

With curtailment in domestic trade and also in import traffic, less and less revenue may be anticipated; expenses must therefore be reduced to effect an equalization. In this light it is interesting to note that total expenses in 1934 were composed in the following ratios: salaries and wages, 54 per cent; interest on debt, 27 per cent; material and equipment, 14 per cent; sinking fund, 5 per cent.

UNEMPLOYMENT

Unemployment was considerably more prevalent in 1935 than in the previous year. The average number of unemployed was 82,468 as compared with 65,440 in 1934, while the monthly figures of registered persons without work during 1935 were, without exception, higher than the corresponding totals dur-

ing the preceding year. Less employment was offered in most fields of activity, the building trades suffering particularly. Watchmaking was the only industry to show an improvement in the number of workers engaged. Even in the summer months over 60,000 persons were without work, and at the close of the year the total number of registered unemployed had risen to 118,775. This is the highest point unemployment has ever reached, and this factor exercises a depressing influence on the general situation.

PRICES

Little change is recorded in wholesale prices or cost of living, for deflationary action within the country was countered by slightly higher prices of raw materials, rising in sympathy with the world market. Also increasingly more stringent quota regulations restrict trade to definite channels, and the buyer is forced to fill his needs from determined rather than the most advantageous markets.

The official index figure for wholesale prices (base July, 1914, equals 100) stood at 92 at the end of the year or 3 per cent higher than at the end of 1934, but the average over the twelve months in both years was the same, 89·8. The cost of living index (base June, 1914, equals 100) touched a new low level for the past five years when it fell to 126 in May, but by the end of the year it had moved up to 130. The living cost index average for 1935 was 128 or just 1 per cent lower than in 1934.

FOREIGN TRADE

The past year witnessed a further decline in Switzerland's external trade. When contrasted with the 1934 figures, it will be seen that imports fell off considerably, exports were somewhat less, but the position of the trade balance, though for many years unfavourable, was improved during the period under review.

Total foreign trade of the Confederation in 1935, including precious metals and goods for improvement, was valued at approximately 2,105,000,000 francs as against 2,278,000,000 francs in 1934, thus representing, when the two periods are compared, a decrease of 173,000,000 francs or of almost 7·6 per cent. Lessened imports accounted for over 87 per cent of the decline in total trade, falling from 1,434,000,000 francs in 1934 to 1,283,000,000 francs during 1935, a contraction of over 10·5 per cent, while exports varied only between 844,000,000 and 822,000,000 francs or respectively a loss of approximately 2·6 per cent. Imports exceeded exports, but while in 1934 the unfavourable balance of trade stood at 590,000,000 francs, this margin diminished almost 22 per cent in 1935 to stand at 461,000,000 francs, the lowest difference recorded for thirteen years.

EXPORT TRADE

TEXTILES

Though the total value of exports has not altered so greatly in the past few years, there is considerable variation in the amounts secured by the different industries. The textile trades have suffered most, and exports for that whole industry declined sharply from 187,300,000 francs in 1934 to 140,400,000 francs in 1935.

These figures are the total of those from ten different branches of textile manufacturing, all of which separately list decreases in their export trade. Of these, silks falling from 36,400,000 francs to 26,200,000 francs, cotton fabrics from 60,500,000 to 46,700,000 francs, cotton thread from 27,300,000 to 21,000,000 francs, artificial silk from 24,300,000 to 16,800,000 francs, and embroideries from 15,500,000 to 12,700,000 francs, are the most noticeable.

METAL INDUSTRY

Conversely, the metal industry was able to expand its exports considerably. These rose in value from 239,600,000 francs for 1934 to the total of 266,800,000 francs in 1935. Watches are the chief factor, exports being valued at 124,500,000 francs, their sale abroad thus increasing by over 2,450,000 pieces at an added value of 15,000,000 francs. Raw aluminium exports more than doubled, rising from 7,200,000 to 15,300,000 francs. Exports of machines increased from 4,500,000 francs to 97,900,000 francs, but instruments and apparatus at 29,100,000 francs declined by 800,000 francs.

OTHER GROUPS

The foodstuffs group lost ground slightly in exports, these contracting from 41,300,000 in 1934 to 40,200,000 francs for last year. Sales of cheese are the most important in this group, and they declined proportionately to 34,300,000 francs; chocolate and condensed milk exports also diminished.

For the chemical and pharmaceutical industry, total exports increased from 122,000,000 to 124,900,000 francs. Of the different branches, producers of aniline and indigo dyes and medicines and perfumes sold more abroad in 1935 than in 1934, while exporters of chemical products destined for industrial uses found their market more restricted.

The number of boots and shoes exported rose from 1,116,300 pairs to 1,170,000, but corresponding values decreased from 13,600,000 to 12,900,000 francs.

IMPORT TRADE

In the struggle to achieve a more favourable balance of trade and to protect the national industries, more stringent quota restrictions were put into force during the last year. These had the desired effect of reducing imports. The import trade is also unfavourably influenced by the decline in purchasing power of the individual consumer. The latter, faced with increasing taxes, less revenue from his foreign investments, and the burden necessitated through the prevalent unemployment, has had no choice but to reduce his purchases.

The commodity group to suffer most has naturally been imports of manufactured products, which fell off 15 per cent as compared with 1934, foodstuffs and raw materials being less affected, each dropping around 7 per cent.

PRINCIPAL IMPORTS

Particulars of some of the main import commodities of interest are listed in the following table:—

Commodity Imported	1934		1935	
	M. Tons	Frs. 1,000	M. Tons	Frs. 1,000
Raw cotton	26,480	27,738	26,530	27,671
Raw silk	520	8,880	610	8,846
Pulp for manufacture of artificial silk..	6,320	1,756	3,810	1,082
Raw iron and steel	165,830	11,155	107,360	7,334
Structural iron and steel	128,060	15,173	98,720	13,162
Raw copper	14,810	8,747	14,960	8,059
Logs and lumber	250,320	23,731	173,550	17,350
Sole and upper leather	1,540	8,694	1,920	10,269
Pulpwood.. . . .	117,030	3,501	99,110	3,097
Coal	3,118,825	88,808	3,087,820	76,427
Automobiles	13,210	36,869	10,880	28,773
Machines	30,330	58,637	20,710	47,810
Instruments and apparatus.. . . .	2,510	30,210	2,120	27,056
Wheat.. . . .	461,000	52,872	480,110	54,203
Fresh fruit and vegetables	84,620	30,135	81,480	29,676
Feeding stuffs	486,410	44,644	451,390	44,566

DISTRIBUTION OF TRADE

The old policy of buying in the cheapest and selling to the dearest market, quality factors being equal, no longer can take chief initiative in trade distribution. Not only has Switzerland imposed restrictions curbing and allocating imports, but internationally 1935 has seen more obstacles placed in the way of foreign trade which affect Swiss exports through increased duties, quotas, clearing and compensation measures. Germany remains the Confederation's principal supplier as well as her chief customer, with France in second place. Italy, the United Kingdom, and the United States are among the more important traders with Switzerland. In proportion, imports from European sources have declined more than those originating in other continents, while exports to overseas markets have diminished more than those to European countries.

CHIEF EXPORT DESTINATIONS

Switzerland's trade during the last two years, with comparative figures for the principal countries, is outlined below:—

Country	Imports		Exports	
	1934	1935	1934	1935
	In Thousands of Francs			
Germany	388,527	338,392	182,493	169,664
France	230,363	207,918	121,544	121,270
Italy	116,048	91,296	76,133	72,778
Belgium	50,793	40,174	23,158	22,446
United Kingdom	90,942	76,306	83,621	77,934
Czechoslovakia	44,601	39,863	22,533	23,886
Hungary	22,696	17,457	7,335	10,584
Canada	15,447	12,850	7,291	7,769
United States	75,923	69,531	47,481	48,106
Argentina	53,483	53,149	12,915	13,661

TRADE WITH CANADA

Imports into Switzerland of Canadian goods declined sharply in 1935, when compared to those in the preceding year, dropping over 29 per cent in weight and more than 16 per cent in value. On the other hand, exports of Swiss merchandise to Canada increased almost 8 per cent in value.

Complete statistics of trade with the various countries will not be published by the Swiss authorities for another five or six months. When these are available, a comprehensive review of Swiss-Canadian trade will be prepared for inclusion in the *Commercial Intelligence Journal*.

The table below, however, gives an outline of total imports and exports between the Dominion and the Confederation over the past five years:—

Year	Imports from Canada		Exports to Canada
	M. Tons	Francs	Francs
1931	258,172	46,811,211	17,481,825
1932	331,436	47,730,535	19,809,377
1933	258,533	35,430,000	9,484,000
1934	93,426	15,447,000	7,219,000
1935	66,037	12,850,000	7,769,000

With reference to imports, wheat is still the most important commodity in Swiss-Canadian trade, though the ratio of wheat arrivals to total imports continues to decline. In 1935 wheat accounted for 56 per cent of the value of total imports from Canada as against 88 per cent in 1933, while the Dominion's share of Switzerland's total wheat trade dropped to approximately 12 per cent as compared with the former long-run average of roughly 50 per cent. This redistribution arises through bilateral agreements between the Confederation and European wheat suppliers who, in return, import a certain quantity of Swiss merchandise.

CEREAL IMPORTS FROM CANADA

Figures showing the importance of Canada's cereal trade with Switzerland during the past three years are included in the following table:—

	1933		1934		1935	
	M. Tons	Frs. 1,000	M. Tons	Frs. 1,000	M. Tons	Frs. 1,000
Wheat	240,305	31,002	86,880	11,071	57,368	7,202
Rye	160	19	.....	.....	.....	.....
Barley	15,202	1,727	1,988	232	2,524	317
Oats	52	5	.....	.....	.....	.....
Total cereals	255,719	32,753	88,868	11,303	59,892	7,519
Total other products	2,814	2,677	4,558	4,144	6,145	5,331
Grand total	258,533	35,430	93,426	15,447	66,037	12,850

From the above it will be noted that there is a decided increase in imports other than cereals. This has not been sufficient to overcome the differential produced through lessened wheat imports, but does show a growth in imports from the Dominion in other products. In 1935 these imports show an increase in value of over 28 per cent from the 1934 totals, and are almost double those recorded for 1933.

TOURIST TRADE

While the value of the tourist industry through its various branches to Switzerland, even five years ago, was around 1,000,000,000 francs per annum, its value has now declined to about half of that sum. There was an improvement, however, in the number of visitors during the 1934-35 winter season, and this has continued throughout the past summer. Hotels were better filled, but their financial returns remained about the same for the lowered purchasing power prevalent in the country whose nationals are the Confederation's most frequent visitors definitely curbs tourists' expenditures.

INDENT TRADE IN BELGIUM AND THE BELGIAN CONGO

MAURICE BÉLANGER, ASSISTANT TRADE COMMISSIONER

Brussels, March 14, 1936.—The only indent business of any consequence in Belgium is that transacted with the Congo. Outside of that, Belgium is of relatively no importance either as a source of indent orders or as a centre of indent trade. This country is too accessible to foreign manufacturers and exporters to make it necessary for local firms to deal through indent houses except in special circumstances and for certain goods such as fashion articles, furs, etc. Even in such cases buyers for local stores usually find it more profitable to travel themselves to distributing centres, which are usually within easy reach.

Some of the important international indent houses have offices or representatives in Belgium, but they act exclusively as buyers of Belgian goods for the account of their firms' clients.

The position is different in the Belgian Congo, a tropical country with a small and widely scattered white population, isolated from world trading centres. Distributing concerns in the Congo may be divided into two main classes, those belonging to or controlled by important firms located in Belgium and the independent firms operating only in the Congo. The former are only trading posts which exchange staple for colonial produce and also act as retailers and wholesalers. They indent all their business with their principals in Brussels or Antwerp, who either buy the goods themselves or, in some cases, order them through indent houses in London, New York, or other centres. As an example, one of the most important firms interested in the Belgian Congo transmit to New York all orders received from their trading posts and distributors in the Congo for wheat flour

and certain other goods. This procedure is not usual and orders are generally executed by the Belgian firm itself.

In the case of independent distributors, orders are usually transmitted to indent houses in Belgium which specialize in business with the Congo. Religious missions dealing with the natives also proceed in the same manner. These were an important source of orders previously for Belgian indent houses but the construction of roads in recent years and the establishment of numerous trading centres has detracted considerably from their importance. The volume of business has also decreased due to the growing practice of paying the natives in money instead of goods as was previously the case.

There is not much business done by firms in the Congo directly with indent houses in foreign countries. Belgian firms are favoured as practically all goods are shipped to the Congo via Antwerp in order to take advantage of the special rates granted by Belgian steamship lines. Orders for special goods, mostly textiles, are very occasionally sent direct to indent houses in London by distributing firms in the Belgian Congo.

Following is a list of goods which are usually ordered through indent houses:—

Canned meats and fish; dried, salted, and smoked fish; flour; rice; sugar; tobacco; wines and spirits; cement; coal and coke; petrol; heavy oils; iron and steel bars, rails, etc.; sheet iron; salt; cloth; blankets; clothes; paper and cardboard; footwear; machinery; tools; household goods; automobiles; narrow-gauge track wagons; river craft; etc.

Belgian indent firms dealing with the Congo obtain as remuneration a commission of 3 per cent on the price of the goods, c.i.f. Congo port, in the case of business transacted on the basis of cash against documents. Where payment is made against an accepted bill, this commission is increased to 5 per cent, bank charges and interest on the amount outstanding being for the account of the drawee.

Indent business with the Congo is decidedly on the decrease due to more active trade promotion by exporters and manufacturers' agents and the determined efforts of Japanese exporters who solicit importers and distributors directly and are taking a constantly increasing share of the market.

There is only one practical method of securing some of this business for Canadian exporters, and that is through the indent firms in Brussels and Antwerp. This office is always in close touch with the important ones and was instrumental in obtaining for one of them, Messrs. Dryepontd Fils, the exclusive agency for a Canadian flour mill. Trade inquiries have also been published recently on behalf of such firms. Unfortunately, there are not many Canadian goods saleable in the Congo, which is a very cheap market where Belgian goods are given a marked preference and competition from other foreign countries, especially Japan, is very severe.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, is making a tour of the principal centres of Canada in the interest of Canadian trade with Belgium.

His itinerary is as follows:—

Toronto, Oakville, Oshawa Apr. 13 to 18
Hamilton Apr. 20
Guelph Apr. 21
Kitchener, Hespeler, Galt Apr. 22
London, Chatham, Ingersoll, Stratford Apr. 23

Brantford Apr. 24
Smiths Falls Apr. 27
Ottawa Apr. 28 and 29
Montreal, Granby, St. Hyacinthe Apr. 30 to May 8
Quebec May 9

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Toronto, with the office of the Canadian Manufacturers Association; for Montreal, with the Montreal Board of Trade; for Ottawa, with the Department of Trade and Commerce; and for the other centres with the respective Board of Trade or Chamber of Commerce.

CURRENT BUSINESS SITUATION IN LATVIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One lat is approximately equal to Can.\$0.324)

Hamburg, March 11, 1936.—A brief review of business conditions in Latvia was presented in a report published in *Commercial Intelligence Journal* No. 1642 (July 20, 1935). Mention was made therein of the progress attained by this country in consolidating the efforts of post-war years to establish a definite measure of prosperity in the agricultural and forestry industries and in foreign trade, also of the difficulties experienced as a result of a persistent adherence to the gold standard. These latter continue to obtain. Latvia can be said to have made some slight improvements in her general economic position during the past year, but there can be no doubt that the country is now suffering from over-valuation of her currency and that the outlook is clouded by the probability of financial difficulties.

Latvia is a comparatively small country, its area of approximately 26,316 square miles supporting a population of slightly less than 2,000,000, whose principal occupations are in the agricultural and forestry industries. Manufacturing is of small account and is concerned almost entirely with the provision of a limited variety of goods for the domestic market.

The past year in Latvia has seen a continuance of the policy of trade regulation through import licences and commodity quotas, while the Government itself, acting on behalf of industries producing export goods, has carried through various barter transactions with foreign countries. Exchange restrictions also remain in force, permission having to be obtained from an Exchange Commission for payment of obligations in foreign currencies. The Government has also found it necessary to carry out a reorganization of the country's banking structure, which has been completed through a reduction in the number of such institutions and the consolidation of the weaker units in a new organization operating under official direction. Subsidization of exports continues and to this virtual necessity is ascribed an appreciable increase in governmental expenditure. With the exchange situation as it is, however, much of Latvia's export trade could not possibly be arranged otherwise.

The foreign trade position has shown some improvement in 1935 over that recorded at the close of the previous year. The figures are as follows:—

	1934 Lats	1935 Lats
Imports	94,900,000	101,100,000
Exports	85,300,000	98,800,000

The decline in the unfavourable balance from 9,600,000 lats in 1934 to 2,300,000 lats in 1935 is significant, but in view of stringent regulation its normal importance must be somewhat discounted.

The United Kingdom and Germany remain as Latvia's most important sources of imports and as its principal markets. Trade with Germany, in contrast to the experience of many European countries, increased by roughly 50 per cent in the case of both imports and exports as compared with 1934. The position in so far as Canadian trade with Latvia is concerned is that, as between the fiscal years 1934 and 1935, Canadian imports of Latvian goods decreased from \$12,060 to \$4,664, whereas exports to the Latvian market fell from \$9,249 to \$8,550. Imports from Latvia are comprised largely of fishery products, rennet and sugar products, while exports include ingot copper, wood-pulp, and rubber goods. Trade to this market will no doubt remain at unimportant levels, particularly while commercial and exchange transactions continue to be subject to as rigorous regulation as at present. The Canadian Trade Commissioner at Hamburg will nevertheless be pleased to co-operate with any Canadian exporters who may be interested in sales to this territory.

ARGENTINE CORN CROP, 1935-36

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, March 23, 1936.—The first official estimate of the Argentine corn crop now being harvested is given at 362,840,000 bushels or 16 per cent below the record crop of last year. Simultaneous with the publication of this estimate, the Government announced that the basic minimum price on corn is being increased from 1.12 pesos per bushel, which has been maintained since December, 1933, to 1.28 pesos per bushel. The Grain Regulating Board is also authorized to purchase unshelled corn in storage on farms.

The area planted to corn this year is estimated at 18.8 million acres, but the acreage to be harvested is now given at 12.3 million acres. The reduction is attributed to unfavourable weather conditions recently and damage from locusts. Unofficial estimates of this year's crop at the beginning of the year were as high as 564 million bushels as compared with 431.6 million bushels last year and a five-year average of 323.8 million bushels.

The carry-over of corn was officially estimated at 74.5 million bushels as of February 1, 1936. Exports of corn from April 1, 1935, to February 1, 1936, amounted to 260.8 million bushels. Exports from February 1 to March 19, 1936, were 33.4 million bushels or a total for the crop year less twelve days of 294.2 million bushels. Corn has been moving slowly in recent weeks. Average annual exports for the past five years has been 257.3 million bushels, and in 1935 shipments amounted to 277 million bushels. Domestic consumption for the 1935-36 crop year is given at 96.6 million bushels, including seed. This figure is probably high, but more corn was consumed here than usual due to the drought last summer.

JAPANESE MARKET FOR LEAD

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(The average value of the yen in 1933 was 28 cents; in 1934, 30 cents; and in 1935, approximately 29½ cents, Canadian funds)

Kobe, March 5, 1936.—The chief lead-producing areas in Japan are Gifu and Miyagi prefectures, the Kameoka mine being located in the former and the Hosokura mine in the latter. Production has been increasing steadily in recent years, reaching a total of 6,769 short tons in 1932, 7,520 tons in 1933, 7,707 short tons in 1934; the estimated output for 1935 is 7,929 tons. This production, however, satisfies only a small part of the demand.

IMPORTS**LEAD (INGOTS AND SLABS)**

The following table shows the imports of this class for 1935 and 1934, with sources of supply. The figures for 1935 are larger than would be the case normally, owing to imports in bond being classified in the returns as having been imported for consumption:—

	1935		1934	
	Short Tons	Yen	Short Tons	Yen
British India	22,400	4,634,592	17,556	3,048,708
United States	25,740	4,815,423	39,006	6,823,336
Canada	34,650	6,923,931	43,771	7,405,503
Australia	2,112	460,568	3,432	579,606
Other	14,322	3,452,533	251	46,256
Total	99,224	20,292,047	104,016	17,903,409

From the above table, it is apparent that Japan paid more for her lead in 1935 than during 1934. Canada continues to be the largest individual supplier. The United States and British India supply the bulk of the remaining imports, imports from the former showing an increase in 1935.

LEAD, OTHER

These imports consist chiefly of scrap lead, which, according to specifications, should be "clean soft lead scrap"; battery lead scrap, which should consist of "dry battery lead plates, moisture not to exceed 1 per cent, allowance to be made for wood, rubber, and paper, and excess moisture"; and battery lead plates to consist of "lead plus antimony content, dry basis less a treatment charge." While the demand is reasonably good, imports are not heavy; in 1935 they amounted to 2,475,924 pounds valued at 165,824 yen. Figures of imports for 1934 and 1933, the latest available showing principal suppliers, are as follows:—

	1934		1933	
	100 Lbs.	Yen	100 Lbs.	Yen
Kwantung Province.. . . .	451	2,738	104	723
Great Britain.. . . .	5,399	37,939	9,304	65,478
United States.. . . .	499	3,767	408	2,963
Australia	4,479	22,425	46	290
Other.. . . .	1,202	7,048	3,727	24,201
Total	12,030	73,917	13,589	93,655

The relative importance of supplying countries varies from year to year, imports from different sources depending to a great extent on their available supplies. Waste lead for use in manufacturing enters Japan free of duty.

TEA LEAD

Imports of tea lead were valued at 32,143 yen in 1935. They are credited to British India principally, with small amounts from China. There is no duty on the importation of tea lead.

EXPORTS

According to the Japanese trade returns, only lead tubes and lead plates and sheets are exported. In 1935 exports of lead tubes were valued at 403,961 yen, and lead plates and sheets at 134,182 yen. These exports have been increasing during the last few years. The latest returns showing countries of destination are for 1934. Prior to 1935 lead tubes and lead plates and sheets were grouped together in the trade statistics as shown in the following table:—

Exports of Lead Tubes, Plates, and Sheets

Destination	1934	1933
	Yen	Yen
Manchukuo.. . . .	11,002	6,087
Kwantung Province	468,643	170,521
China.. . . .	9,741	6,669
Hongkong	3,840	1,284
India	5,572	5,486
Asiatic Russia	1,534	.....
Other	1,160	1,387
	500,492	191,434

Kwantung Province was the largest consumer in 1934, and other buyers have been increasing their purchases.

NETHERLANDS INDIAN MARKET FOR TOOTH PASTES AND POWDERS

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, March 1, 1936.—Netherlands Indian imports of tooth pastes and powders were not mentioned separately in the local statistics prior to 1934. In that year imports totalled 261 tons, valued at \$229,000. The chief suppliers in order of importance (quantities shown in parentheses) were Germany (78 tons), Japan (58), United States (54), Singapore (32), and China (18 tons). If the values are considered instead of the quantities, Germany is still in first place, but Japan moves from second place to fourth, indicating the relatively low prices quoted by the Japanese makers.

The market may be divided into two classes, the better-class European, and the native and Chinese. The former are buyers of the better-grade internationally advertised brands, while the latter create the demand for the cheaper varieties. All the well-known American brands are available here, some of them extensively advertised. These makes as well as the offers from Holland and the United Kingdom are chiefly for the better-class trade, while the imports from China and Japan are for the Chinese, native, and half-caste elements in the population.

The statistics do not mention powders separately from pastes, so that it is not possible to indicate the share obtained by each, although the importers claim that the balance is heavily in favour of paste. For the cheaper trade a soapy paste is required, scented, and with an agreeable flavour. The same sizes of tubes are used as in Canada. Japanese and Chinese manufacturers offer tooth pastes in containers closely resembling the better-known American makes.

BRANDS, SOURCES OF ORIGIN, AND RETAIL PRICES

The following table shows the most popular brands, their sources of origin, and their retail selling prices in Java, as well as approximate c.i.f. prices:—

Brand	Sources of Origin	Retail Price	Approximate C.I.F. Price
Colgate (large size)	United States	\$0.20	\$0.10
Pebeco (large size)	Germany	0.20	0.10
Ipana	United States	0.23	0.11
Pepsodent (net weight 90 grams)	United States	0.33	0.17
Kolynos (about $\frac{3}{4}$ Colgate size)	United States and United Kingdom	0.23	0.11
Listerine	United States	0.23	0.11
Odol (about $\frac{3}{4}$ Colgate size)	Germany	0.20	0.10
Concoline (Bell Brand) (about $\frac{3}{4}$ Colgate size)	China	0.08	0.03
Three Star (about $\frac{3}{4}$ Colgate size)	China	0.08	0.03
Flying Horse (about $\frac{3}{4}$ Colgate size)	Singapore	0.07	0.02 $\frac{1}{2}$

DUTIES AND ADVERTISING

There are no preferential duties on imports into Netherlands India. The duty on tooth pastes and powders is 30 per cent ad valorem.

To introduce a new brand, particularly if it is for the better-class trade, it is essential to do some advertising. Of the various possibilities, the most effective is the free distribution of samples, although it is extremely difficult to overcome established brands which are not only advertised locally but which are often extensively advertised in overseas magazines with a wide distribution here.

For the Chinese and native trade price is the main consideration, and a good cheap brand can be introduced without the aid of advertising provided aggressive representation is secured. Quality gives place to price in the case of the latter trade, and the ingredients of many of the lines are of questionable dental value.

The Batavia office would be glad to investigate the prospects on behalf of any interested Canadian manufacturers prepared to supply samples and c.i.f. prices for this purpose.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Union of South Africa Budget Proposals

Mr. G. R. Heasman, Canadian Trade Commissioner, Cape Town, cables that the Union of South Africa Budget, introduced on March 25, 1936, increases the tariff on "peas, beans, and lentils preserved as a vegetable" to 2d. per pound minimum tariff and 2½d. per pound intermediate and maximum tariff. The intermediate tariff rate of 2½d. per pound applies to all countries, including Canada. The Budget also amends the rate under all tariffs on leather known as bellies and shoulders, excluding sole leather, to 20 per cent ad valorem or 3d. per square foot, whichever is higher. On all the foregoing articles the former rate was 20 per cent ad valorem to all countries. These Budget changes became effective on the date of announcement.

Re-enactment of Package Tax Law of Jamaica

Mr. F. L. Casserly, of the Canadian Trade Commissioner's office, Kingston, Jamaica, writes that the Legislative Council of that colony has re-enacted for a further year, beginning April 1, 1936, the Package Tax Law, which was due to expire on March 31. This law has been in force for some years, and the practice is to re-enact it from year to year. It provides in the main a tax of 1s. on every package brought into the island for island use, with certain exceptions, which are given in the schedule of the law. (Complete details of the statute will be found in *Commercial Intelligence Journal* No. 1523: April 8, 1933.) The law as re-enacted follows that form precisely with two exceptions, namely, that whereas the package tax on lumber has hitherto been 2s. per 1,000 superficial feet or less quantity, it is now fixed at 2s. 6d. as from April 1; also bricks, tiles, and slates which used to be taxed at the rate of 2s. per 1,000 will, as from April 1, be assessed at 2s. 6d. per 1,000.

Belgian Tariff Changes

Mr. M. Bélanger, Assistant Trade Commissioner in Brussels, writes that a royal decree dated March 21, effective March 25, provides for certain changes in the Belgian customs tariff, applicable to all countries, as follows:—

Commodity	Former Rate	New Rate
Hosiery of artificial silk or containing artificial silk, made on circular machines and weighing per dozen pairs:		
Over 650 grams	20% ad val.	24 frs. per kg.
650 grams or less	20% ad val.	34 frs. per kg.
Hosiery of artificial silk or containing artificial silk, full fashioned, weighing per dozen pairs:		
Over 750 grams	20% ad val.	40 frs. per kg.
From 651 grams to 750 grams	20% ad val.	47 frs. per kg.
From 500 grams to 650 grams	20% ad val.	65 frs. per kg.
Less than 500 grams	20% ad val.	80 frs. per kg.
Hosiery of natural silk or containing over 5 per cent of natural silk	20% ad val.	150 frs. per kg.
Underwear of artificial silk or containing artificial silk, without ornamentation:		
In ordinary knit fabric	20% ad val.	27.50 frs. per kg.
In run-proof knit fabric	20% ad val.	57 frs. per kg.
Underwear of artificial silk or containing artificial silk, with ornamentation:		
In ordinary knit fabric	20% ad val.	32 frs. per kg.
In run-proof knit fabric	20% ad val.	80 frs. per kg.
Underwear of knit goods in natural silk or containing 5 per cent of natural silk:		
Without ornamentation	20% ad val.	140 frs. per kg.
With ornamentation	20% ad val.	160 frs. per kg.
Electric irons with thermostat	450 frs. p. 100 kg.	364 frs. p. 100 kg.

(1,000 grams or 1 kilogram equals 2.204 lbs. Belgian franc at par equals 2.002 cents Canadian and about 3.40 cents at present rate of exchange.)

French Quotas on Canadian Goods

Mr. Hercule Barré, Commercial Attaché in Paris, cables that the French quotas allotted to Canada for the second quarter of 1936, on the basis of the percentages guaranteed to Canada, are as follows in metric quintals (220·4 pounds): cheese, 240; preserved fish, 25 (for each of second and third quarters); barley, 50; insulating board, 185; sweetened biscuits, $3\frac{1}{2}$; preserved tomatoes, 60; cinematograph films, 2·90; patent leather 48; other small skins, $7\frac{1}{2}$; cultivators, 16; mowers, 44; other agricultural machinery, 34; lead, 1,820; veneer sheets, 3·65; veneers and counter veneers, 0·10; automobiles, 217. In addition to these, quotas on porcelain insulators, electric stoves, and vacuum cleaners were accorded to Canada under an Exchange of Notes of March 20, 1936 (see *Commercial Intelligence Journal* No. 1678: March 28, 1936, page 560).

Cuba Reduces Consular Fees for the United Kingdom

With reference to notices in *Commercial Intelligence Journal* No. 1642 (July 20, 1935), page 112, and No. 1677 (March 21, 1936), page 506, Mr. E. L. McColl, Canadian Trade Commissioner at Havana, writes that a decree in the *Official Gazette* of April 1 reduced the Cuban consular fees from 5 per cent to 2 per cent on merchandise from the United Kingdom. A previous decree gazetted March 14 had authorized the President of the Republic to reduce the consular fees on merchandise imported from the United Kingdom and Canada, should he deem it advisable. While the first decree authorized the President to reduce the consular fee on goods imported from Canada, no decree has been issued to make this reduction effective.

Cuban Minimum Tariff on Certain Products

With reference to the notice in *Commercial Intelligence Journal* No. 1627 (March 21, 1936), page 505, concerning Cuban customs tariff, Mr. E. L. McColl, Canadian Trade Commissioner at Havana, advises that a Cuban decree signed March 31 and gazetted April 1 applies the minimum tariff until October 2, 1936, to codfish, hops and malt for breweries, chick peas, red, pink and white beans, rice, red palm oils and coconut oil for manufacturing soaps, jute, burlap cloth, crude petroleum and gasoline, regardless of the origin of these goods.

Documentation for Cuba and Guatemala: New Leaflets

The Department of Trade and Commerce has issued new leaflets dealing with documentation of shipments to Cuba and to Guatemala. Canadian firms desiring copies of these leaflets may obtain them on application to the Department at Ottawa.

Mexican Tariff Changes

Mr. M. B. Palmer, Canadian Trade Commissioner at Mexico City, writing under date March 25, 1936, advises that a number of alterations have been decreed in the Mexican customs tariff during the current month. The various articles affected are as follows:—

Creosoted oils; coal tar; cotton wicks on cylinders and for burners; passenger and freight elevators; pistons for combustion engines; mechanical pencils; fountain pens and pen holders; animal biscuits; pocket and wrist watches and cases; sardines; pimentos; almonds; olives and olive oil; cider; red and white wines and sweet wines; ribbon tags with printed or woven characters; haemoglobin; apparatus for measuring electrical units; automatic meters for liquids and gases; materials used for packing; pneumatic and solid rubber balls; spectacles, lenses, optical instruments, and glass and crystals for such instruments; and thread counters of all kinds.

In the majority of instances the changes are merely the segregation and reclassification of items and changes in wording, with the rates remaining the same as formerly. In the case of all the edible products mentioned, however, the rates are materially increased, and only in some of the items now covering watches and cases are reductions noted. Further details can be obtained upon application to the Department of Trade and Commerce, Ottawa.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	St. Boniface, Man.
Halifax, N.S.	Stratford, Ont.	Winnipeg, Man.
Quebec, P.Q.	Woodstock, Ont.	Vancouver, B.C.
Montreal, P.Q.	St. Mary's, Ont.	New Westminster, B.C.
Toronto, Ont.	Portage la Prairie, Man.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	Victoria, B.C.
Oshawa, Ont.	London, Ont.	Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.	Winnipeg, Man.	Victoria, B.C.
Montreal, P.Q.	Edmonton, Alta.	Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Sardines in Tomato Sauce.....	197	Batavia, Java.....	Purchase and Agency.
Canned Fish, particularly Salmon and Pilchards.	198	Geneva, Switzerland.....	Agency.
Canned Fruits and Vegetables..	199	Geneva, Switzerland.....	Agency.
Dried Fruit.....	200	Geneva, Switzerland.....	Agency.
Miscellaneous—			
Cheap Printing Ink.....	201	Batavia, Java.....	Purchase and Agency.
Cotton Bags, Second-hand (for export to the Belgian Congo)...	202	Brussels, Belgium.....	Purchase.
Wastepaper Baskets.....	203	Hamilton, Bermuda.....	Purchase.
Clothes Hampers.....	204	Hamilton, Bermuda.....	Purchase.
Canvas-back Insole Board; Insole and Heeling Boards.	205	Port Elizabeth, South Africa.	Agency.
Chairs and Tea Wagons (Unpainted and Unassembled).	206	Liverpool, England.....	Purchase.
Douglas Fir Wood and Insulating Board.	207	Casablanca, Morocco.....	Agency.
Copper Tubing (for export to Australia).....	208	New York, U.S.A.....	Purchase.
Barbed and Plain Galvanized Wire.	209	Batavia, Java.....	Purchase and Agency.
Weatherproof and Lead-covered Standard House Wiring, Copper and Resistance Wire.	210	Shanghai, China.....	Agency.
Aviation Equipment.....	211	Shanghai, China.....	Agency.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 6

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending April 6, 1936, with the official bank rate. Quotations for the week ending March 30, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 30	Nominal Quotations in Montreal Week ending April 6	Official Bank Rate
Austria	Schilling	.1407	\$.1882	\$.1883	3½
Belgium	Belga	.1001	.1698	.1700	2
Bulgaria	Lev	.0072	.0127	.0128	6
Czechoslovakia	Krone	.0296	.0417	.0417	3
Denmark	Krone	.2680	.2219	.2222	3½
Finland	Markka	.0252	.0220	.0220	4
France	Franc	.0392	.0662	.0662	5
Germany	Reichsmark	.2382	.4023	.4047	4
Great Britain	Pound	4.8666	4.9725	4.9750	2
Greece	Drachma	.0130	.0094	.0094	7
Holland	Guilder	.4020	.6799	.6827	2½
Hungary	Pengo	.1749	.2969	.2963	4
Italy	Lira	.0526	.0796	.0795	5
Jugo-Slavia	Dinar	.0176	.0230	.0231	5
Norway	Krone	.2680	.2497	.2500	3½
Portugal	Escudo	.0442	.0452	.0452	5
Roumania	Leu	.0060	.0076	.0076	4½
Spain	Peseta	.1930	.1371	.1373	5
Sweden	Krona	.2680	.2563	.2565	2½
Switzerland	Franc	.1930	.3265	.3275	2½
United States	Dollar	1.0000	1.0043	1.0043	1½
Poland	Zloty	.1122	.1891	.1894	5
Argentina	Peso (Paper)	.4245	.3314	.3316	—
Brazil	Milreis (Paper)	.1196	.0860	.0861	—
Chile	Peso	.1217	.0512	.0510	4½
Colombia	Peso	.9733	.5740	.5740	4
Mexico	Peso	.4985	.2789	.2789	4-5
Peru	Sol	.2800	.2499	.2498	6
Venezuela	Bolivar	.1930	.2586	.2586	—
Uruguay	Peso	1.0342	.8010	.8000	—
China (Shanghai)	Dollar	.....	.2990	.2992	—
Cuba	Peso	1.0000	1.0034	1.0034	—
Hongkong	Dollar	.....	.3267	.3269	—
India	Rupee	.3650	.3752	.3757	3
Japan	Yen	.4985	.2900	.2904	3.65
Java	Guilder	.4020	.6830	.6863	4
Siam	Baht (Tical)	.4424	.4557	.4560	—
Straits Settlements	Dollar	.5678	.5825	.5834	—
South Africa	Pound	4.8666	4.9650	4.9700	—
British Guiana	Dollar	1.0138	1.0360	1.0365	—
Jamaica	Pound	4.8666	4.9825	4.9850	—
Other British West Indies	Dollar	1.0138	1.0360	1.0365	—
Martinique	Franc	.0392	.0662	.0662	—
Guadeloupe	Franc	.0392	.0662	.0662	—
Australia	Pound	4.8666	3.9775	3.9800	—
Egypt	Pound (100 Piastres)	4.9431	5.0925	5.1025	—
New Zealand	Pound	4.8666	4.0100	4.0125	—
Argentina	Free	Free	.2757	.2762	—
Brazil	Free	Free	.0567	.0572	—
Chile	Free	Free	.0412	.0412	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The franc rallied above its gold export point at the beginning of April before gold shipments to the United States reached \$2,000,000. Its position, however, still remained unstable. Announcement was made during the week that the Belgian currency control fund had been dissolved, and any management necessary has been relegated to the central bank. Another intimation of interest came from Moscow to the effect that the ruble will henceforth be stabilized at the equivalent of three French francs. The premium on New York funds at Montreal remained close to one-half of 1 per cent.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, April 24; Duchess of Atholl, May 1; Duchess of York, May 8; Duchess of Richmond, May 15—all Canadian Pacific; Antonia, April 24; Andania, May 8—both Cunard-White Star Line.

To London.—Beaverbrae, April 24; Beaverhill, May 1; Beaverford, May 8; Beavertdale, May 15; Beaverburn, May 22—all Canadian Pacific; Ascania, April 24; Aurania, May 1; Ausonia, May 8; Alaunia, May 15—all Cunard-White Star Line.

To Manchester.—Manchester Regiment, April 30; Manchester Citizen, May 7; Manchester Port, May 14; Manchester Producer, May 21—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, May 5; Dakotian, May 25—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montclare, May 1; Montrose, May 15—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Boston City, Bristol City Line, May 16.

To Glasgow.—Athenia, May 1; Sulairia, May 8; Letitia, May 15; Airthria, May 22—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, April 30; Cairnesk (calls at Dundee), May 14—both Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head, Head Line, May 5 (cargo accepted for Londonderry and Cork).

To Aberdeen and Hull.—Kelso, May 2; Kyno, May 23—both Ellerman's Wilson Line.

To Antwerp and Havre.—Beaverhill, May 1; Beaverford, May 8; Beavertdale, May 15—all Canadian Pacific (do not call at Havre); Alaska, May 5; Grey County (does not call at Antwerp), May 15; Brant County (calls at Dunkirk but not at Havre), May 23—all County Line.

To Rotterdam.—Kings County, May 8; Grey County, May 15—both County Line.

To Hamburg.—Beaverbrae, April 24; Beaverburn, May 22—both Canadian Pacific; Hagen (calls at Bremen), Hamburg-America Line, May 15.

To Copenhagen, Gothenburg and Baltic Ports.—Stureholm, May 5; Korsholm, May 25—both Swedish-America-Mexico Line.

To Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa and Leghorn.—Nordhavet, McLean Kennedy Ltd., May 15.

To Marseilles and Genoa.—Inger, April 20; Sonja, May 16—both Canada-Mediterranean Line.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Blanca, Capo Line, May 5.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., May 8.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., May 4 and 18.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, April 30; Colborne, May 14—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, April 29; Lady Rodney, May 13—both Canadian National.

To Kingston (Jamaica).—Cathcart, May 8; Cavalier, May 22—both Canadian National.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Conqueror, Canadian National, May 30.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—Canadian Planter, Canadian National, May 22.

To Yokohama, Kobe and Osaka.—Kano Maru, Kokusai Line, May 17.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Cochrane, Elder Dempster Lines Ltd., April 28.

To Santos and Buenos Aires.—Primerio (calls at Rio de Janeiro), April 25; a steamer, May 9—both International Freighting Corp.; Dagrund (calls at Montevideo but not at Santos), Canada-South America Line, May 2.

From Quebec

To Southampton.—Empress of Australia, Canadian Pacific, Feb. 26.

From Saint John

To Liverpool.—Montcalm, Canadian Pacific, April 17.

To Manchester.—Manchester Commerce, April 16; Manchester Division, April 23—both Manchester Line.

To Glasgow.—Airthria, Donaldson-Atlantic Line, April 18.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, April 15; Lady Drake, April 29; Lady Nelson, May 13—all Canadian National.

To Kingston and Jamaican Outports.—San Gil, United Fruit Line, April 18.

To Cape Town, Port Elizabeth, East London and Durban.—Lylepark, Elder Dempster Line, April 15.

To Alexandria, Port Said, Aden, Karachi, Bombay, Colombo, Madras, Singapore, Rangoon and Calcutta.—City of Worcester, Canada-India Service, April 13.

From Halifax

To Liverpool.—Manchester Exporter, Manchester Line, April 13; Newfoundland, April 14; Nova Scotia, May 9—both Furness Line; Montcalm, Canadian Pacific, April 18.

To London.—Capulin (calls at Dundee), American Hampton Roads, April 25.

To Manchester.—Manchester Commerce, April 18; Manchester Division, April 25—both Manchester Line.

To Aberdeen, Newcastle and Hull.—Gitano, April 15; Kelso, May 11—both Ellerman's Wilson Line.

To Cardiff, Bristol and Swansea.—Bristol City, Bristol City and Dominion Lines, April 22.

To Avonmouth, Cardiff and Swansea.—Norwegian, Cunard-Donaldson and Dominion Lines, April 13.

To Glasgow.—Norwegian, April 13; Airthria, April 20—both Donaldson-Atlantic Line.

To Hamburg.—Capulin (calls at Hull and Leith), American Hampton Roads, April 25.

To Copenhagen, Gothenburg and Baltic Ports.—Svaneholm, Swedish-America-Mexico Line, April 21; Pilsudski (calls at Gdynia), Gdynia-America Line, May 19.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Furness-Red Cross Line, April 13; Newfoundland (does not call at St. Pierre), Furness Line, April 14; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., April 15; Belle Isle, Newfoundland-Canada SS. Co., April 20; Magnhild, G. T. Shaw, April 20.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, April 23; Lady Drake, May 7; Lady Nelson, May 21—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Risanger, Ocean Dominion Line, May 6.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, Canadian National, April 16.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B., April 22; Ciss, May 6—both Pickford & Black Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Chomedy, April 18; Cornwallis, May 4; Colborne, May 18—all Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cavalier, April 23; Cathcart, May 11—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Chinese Prince, April 25; Silveryew, May 9; Javanese Prince, May 23—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Cruiser, Canadian National, April 30.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Britisher, Canadian National, April 24.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Talisce, Java-New York Line, April 30.

From Vancouver

To Yokohama, Kobe and Osaka.—Tatsuha Maru, April 15; Shiraha Maru, May 15—both Empire Shipping Co. (do not call at Kobe); Hikawa Maru, April 18; Hiye Maru, May 2; Heian Maru, May 23—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Asia (calls Nagasaki), April 18; Empress of Canada (calls Honolulu), May 2; Empress of Russia (calls Nagasaki), May 16; Empress of Japan (calls Honolulu), May 30—all Canadian Pacific; Ixion, May 3; Talthybius, May 31—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Bintang, April 30; Tosari, May 30—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Niagara, Canadian-Australasian Line, April 22.

To Auckland, Wellington, Melbourne and Sydney.—Golden Cloud, Oceanic and Oriental Navigation Co., April 13.

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To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer), Holland-America Line, April.

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To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverfir, April 15; Siantar, May 7—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Brandanger, April 15; Evanger, May 15—both Empire Shipping Co.

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To United Kingdom Ports.—Ardanbahr, April 15; Hadiotes, April 19—both Anglo-Canadian Shipping Co.

To Japanese Ports.—Ixion, Dodwell & Co., April 25.

To Chinese Ports.—Bradfyne, April 15; Star Point, April 15; Uffington Court, April 25—all Ocean Shipping Co.

To Australian Ports.—Marietta, Canadian Transport Co., April 15.

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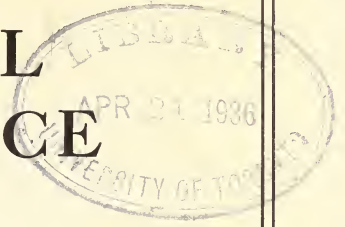
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COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, April 18, 1936

No. 1681



Canadian Cattle Landed at Birkenhead

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, April 18, 1936

No. 1681

FOREIGN TRADE OF CHINA, 1935

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

(NOTE.—Except where otherwise stated, all dollar references are to the Yuan or Chinese dollar, the average value of which was approximately Canadian \$0.36 in 1935 and Canadian \$0.33 in 1934. At time of writing its value is roughly Canadian \$0.30, around which figure it has been held stable since China left the silver standard on November 4, 1935. The average value of the gold unit, in which all detailed figures for imports are given in the Chinese Customs statistics, was approximately Canadian \$0.68 in 1935 and Canadian \$0.66 in 1934.)

I

Shanghai, March 16, 1936.—Preliminary figures just released by the Statistical Department of the Chinese Maritime Customs covering China's foreign trade in 1935 provide some encouraging signs for the first time in four years. The trade totals are as follows, those for the four preceding years being given to indicate the decline from the peak year 1931¹:—

	1931	1932	1933	1934	1935
		Millions of Yuan Dollars			
Imports	2,002	1,524	1,345	1,030	919
Exports	915	569	612	535	576
Total	2,917	2,093	1,957	1,565	1,495
Excess of imports	1,087	955	733	495	343

¹ Until 1933 the official Customs statistics showing China's foreign trade included Manchuria. In the table above, however, the Manchurian figures have been deducted from the 1931 and 1932 totals in order to make the latter comparable to the later figures.

The above figures show that total trade fell by 4.5 per cent and imports by 11 per cent as against 1934. This reveals a marked lessening in the rate of decline, the 1934 figures as compared with those for 1933 having decreased by 20 per cent and 25 per cent respectively. Moreover, the import decline in 1935 was partially fictitious, as will be shown later. Total exports actually increased by 7.5 per cent over 1934, and it will be noted that a further reduction occurred in the unfavourable merchandise trade balance. It may be, therefore, that the past year saw the worst effects of the world depression on China's overseas trade, and that some recovery may be looked for in the current or succeeding year unless world or East Asiatic political conditions interfere.

For those who may be interested in having some idea of how China's foreign trade compares with that of Canada, the trade totals of the two countries during the past few years are tabulated below in millions of Canadian dollars. Due to exchange variations, the figures for China can be taken only as a rough approximation. Nor can they be accepted as showing the real trend of China's trade. For example, the rise in the value of silver between 1933 and 1935 results in an

upward trend in terms of Canadian dollars, whereas in terms of her own currency, as seen earlier, the trend was downward with the exception of exports in 1935:—

Foreign Trade of China and Canada

CHINA

	1931	1932	1933	1934	1935
	Figures in Millions of Canadian Dollars				
Imports	440	335	350	340	331
Exports	201	125	159	176	207
Total	641	460	509	516	538
Excess of imports	239	210	190	163	123

CANADA¹

	1931	1932	1933	1934	1935
	Figures in Millions of Canadian Dollars				
Imports	907	579	406	434	522
Exports	817	588	481	585	668
Total	1,724	1,167	887	1,019	1,190
Excess of imports.. . . .	90	....	....	....	....
Excess of exports.. . . .	....	9	75	151	146

¹ Dominion Bureau of Statistics—Canadian fiscal years.

TRADE WITH CANADA

China's trade with Canada increased in both value and relative importance. Total imports from Canada rose from \$19·3 million in 1934 to \$20·4 million in 1935, or nearly 6 per cent, while total exports to Canada increased from \$3·5 million to \$4·2 million or nearly 16 per cent. Imports from Canada of the following important products increased in value: railway sleepers, logs, newsprint, kraft paper, flour, zinc, sulphate of ammonia, motor cars, beer, and dairy cattle; while imports from Canada of the following products decreased in value: wheat, sawn lumber, wood-pulp, lead, apples, cobalt oxide, sole leather, and motor car tires.

Among China's leading exports to Canada shipments of the following increased in value: peanut oil, shelled peanuts, walnuts in the shell, raw silk, skins, carpets and rugs, coal (for ships' bunkers), brassware, curios and antiques, hair nets, and lacquerware. The following registered decreases: walnuts in kernel, peanuts in the shell, wood oil, tea, embroideries, lace, etc., and fibre hats. Canada's consumption of China's products is in reality much greater than the statistics indicate due to the fact that many of them are purchased to a considerable extent through other countries, i.e., wood oil, peanut oil, soya bean oil, silk, tea, antimony, tungsten, etc., through the United States and the United Kingdom. The trade between Canada and China is described hereafter in greater detail.

IMPORTS AND EXPORTS BY PRINCIPAL PORTS

The Chinese Customs statistics show the trade of some thirty-nine ports in China proper, but of these the first twelve handle 93 per cent of the country's total import trade and the first ten nearly 90 per cent of its export trade. Since the loss of Manchuria, Shanghai alone has handled more of the overseas trade than all the other ports combined. Although its supremacy will probably never be seriously challenged, the completion of the Canton-Hankow Railway in the autumn of this year will undoubtedly increase the importance of the southern ports of Canton and Kowloon, and perhaps of Hankow. Likewise the extension of the Lunghai Railway will probably result in the Shantung ports, such as Tsingtao and Haichow, handling a greater share of the trade. Practically all of Canada's trade with China is handled via Hongkong for South China, via Shanghai for Central China, and via Tsingtao and Tientsin for North China. A

considerable part of the trade with the last-named ports is handled by transshipment at Shanghai or at Kobe in Japan. The tables following show the import and export trade respectively of the leading ports during the past two years in the order of importance in 1935. It will be noted that Tientsin is easily second to Shanghai in the volume of both inward and outward trade:—

China's Imports by Principal Ports, in Millions of Chinese Dollars

	\$	1934 Rank	%	\$	1935 Rank	%
Total imports.. . . .	1,038	..	100.00	924	..	100.00
Shanghai	600	1	57.82	507	1	54.90
Tientsin	96	2	9.31	85	2	9.24
Kowloon	75	3	7.19	70	3	7.62
Tsingtao	48	4	4.67	51	4	5.53
Canton.. . . .	33	5	3.26	33	5	3.61
Hankow	32	6	3.12	33	6	3.55
Swatow	26	7	2.52	28	7	3.11
Amoy	16	9	1.56	14	8	1.59
Nanking	18	8	1.78	12	9	1.43
Ningpo.. . . .	6	12	0.58	8	10	0.88
Foochow	7	11	0.73	6	11	0.74
Chefoo.. . . .	9	10	0.93	6	12	0.71

China's Exports by Principal Ports, in Millions of Chinese Dollars

	\$	1934 Rank	%	\$	1935 Rank	%
Total exports.. . . .	535	..	100.00	576	..	100.00
Shanghai	272	1	50.83	289	1	50.14
Tientsin	81	2	15.13	91	2	15.82
Tsingtao	35	4	6.59	48	3	8.42
Canton	47	3	8.80	40	4	6.93
Swatow	15	5	2.96	17	5	2.99
Hankow	9	6	1.84	12	6	2.19
Chefoo.. . . .	7	7	1.47	8	7	1.36
Kowloon	5	8	1.03	5	8	0.98
Amoy	3	10	0.66	3	9	0.64
Foochow	4	9	0.83	3	10	0.61

CHINA'S IMPORTS BY PRINCIPAL SUPPLYING COUNTRIES

The following table shows in millions of Yuan dollars the total imports from the fifteen principal supplying countries in 1935 as compared with 1934. The percentage of total imports which each country supplied is also shown. It will be noted that only Japan, Germany, Australia, French Indo-China, Canada, and Italy increased their sales to China, imports from all other leading suppliers declining in value.

	Million Yuan \$	1934 Rank	%	Million Yuan \$	1935 Rank	%
Total imports.. . . .	1,039	..	100.00	925	..	100.00
United States	272	1	26.16	175	1	18.93
Japan.. . . .	127	2	12.21	140	2	15.03
Germany	93	4	8.99	103	3	11.09
Great Britain	124	3	12.00	98	4	10.48
French Indo-China	41	7	3.97	60	5	6.74
Netherlands India.. . . .	63	5	6.15	58	6	6.18
Australia	11	15	1.06	37	7	4.12
British India (including Burma)	43	6	4.14	35	8	4.02
Siam	32	8	3.16	27	9	2.97
Canada	19	12	1.85	20.4	10	2.18
Hongkong	30	10	2.86	20.3	11	2.17
Belgium	26	9	2.49	18.5	12	1.98
France.. . . .	22	11	2.16	13.4	13	1.45
Italy	12	13	1.21	12.9	14	1.39
Straits Settlements and F.M.S.. . . .	11	14	1.10	10.3	15	1.10

It will be noted that the United States continued in first place, although her sales decreased both absolutely and relatively. The decrease, which amounted to \$97,000,000, was caused chiefly by a reduction of \$26,000,000 in sales of raw cotton, of \$22,000,000 in sales of tobacco leaf, and \$19,000,000 in sales of wheat. Japan displaced Great Britain for second place in China's import trade in 1934 and continued to hold that position in the year under review, her sales increasing in both volume and relative importance, chiefly due to improved sales of metals, textile machinery and parts, fishery and sea products, and sugar. It may be that Japan's sales to China will exceed those of the United States before long. They would do so now probably if sales to Manchuria were taken into account. Germany's share of China's import trade has been increasing steadily over the past five years and in 1935 she displaced Great Britain for third place. Her total sales rose from \$93,000,000 in 1934 to \$103,000,000 in 1935, due principally to larger shipments of machinery, railway materials, paper, electrical materials, chemicals and pharmaceuticals. Total imports from Great Britain declined by \$26,000,000 or about 21 per cent. This decline was chiefly accounted for by reduced sales of wool and cotton goods, machinery and tools, metals and ores, and sundries. Imports from French Indo-China and Siam consist almost entirely of rice. Shipments of this cereal from the former increased greatly over 1934, thus causing a marked rise in the figures for total imports from the French colony, while shipments of rice from Siam decreased, causing a decline in that country's total trade. The greater part of China's imports from Netherlands India consists of petroleum products and sugar; the former increased somewhat and the latter decreased appreciably in 1935 as compared with 1934. Broadly speaking, imports from British India (including Burma) consist for the most part of raw cotton, rice, hemp and jute, gunny bags, and coal, in that order. Of these, cotton imports declined by 50 per cent, imports of rice and gunny bags increased greatly, while those of coal and hemp and jute showed little change.

Hongkong held in former years a dominating position, statistically as well as actually, in China's foreign trade due to her role as a transshipment and entrepôt centre for South China. Since China adopted the consular invoice system, however, the statistical importance has lessened, although the actual trade volume handled through the colony has not declined relatively to the same extent. Imports from Belgium and France declined to a marked degree, due no doubt to the handicap imposed on all gold bloc countries. Italy's trade remained about the same, although it is expected to show a serious decline in the current year because of China's imposition of sanctions in company with most other members of the League of Nations.

COMPETITION OFFERED BY AUSTRALIA

Imports from Australia are worthy of special note because they consist to the extent of over 90 per cent of some nine commodities which are directly competitive with Canadian products. The quantity and value (in gold units) of the shipments of these nine products were as follows in 1935, the figures in parentheses referring to 1934: wheat, 4,068,000 quintals,¹ 15,724,000 gold units (430,000 quintals, 1,633,000 gold units); flour, 183,000 quintals, 1,089,000 gold units (120,000 quintals, 781,000 gold units); sole leather, 118,000 kilograms,² 60,000 gold units (40,000 kilograms, 29,000 gold units); railway sleepers, 628,000 pieces, 1,357,000 gold units (256,000 pieces, 604,000 gold units); butter, 674,000 kilograms, 452,000 gold units (650,000 kilograms, 473,000 gold units); milk food, 586,000 gold units (605,000 gold units); living animals (chiefly dairy cattle), 5,600 gold units (49,000 gold units); Lead, 3,050 quintals, 30,800 gold

¹ One quintal equals roughly 220 pounds; nine quintals nearly equal one short ton.

² One kilogram equals roughly 2.2 lbs.

units (2,300 quintals, 23,400 gold units); and fresh apples, 711 quintals, 17,600 gold units (681 quintals, 17,121 gold units).

The difference in shipping seasons lessens the competition in apples, but Australian canned goods and jams, although not mentioned in the above list, are well known on this market and provide strong competition with other brands.

Australia regained in 1935 the position which she lost temporarily to Argentina in 1934 of chief wheat supplier to China. Although Canada practically disappeared from the China wheat trade in the year under review, it is, of course, obvious that the large quantities of Australian wheat absorbed by this country in recent years have relieved the pressure of the Australian supply on other markets in which Canadian wheat can be sold to better advantage.

The increased attention paid to the Far East by Australia has been very marked in recent years, and in 1935 the Australian Government extended its Trade Commission Service to China as well as to Japan and Netherlands India, a Trade Commissioner and Assistant Trade Commissioner being appointed at Shanghai, Tokyo, and Batavia respectively.

EXPORTS FROM CHINA TO PRINCIPAL BUYING COUNTRIES

The table following shows China's exports to those countries which take 1 per cent or more of her total exports. Canada is included, although she does not fall within that category, having accounted for only 0.75 per cent of China's total exports in 1935. In addition to the countries listed in the table, French Indo-China, Belgium, Netherlands India, the Philippine Islands, and Soviet Russia all purchased more than did Canada during the year under review, according to the customs statistics. However, as pointed out earlier, Canada's real imports from China are considerably greater than either Canadian or Chinese trade statistics suggest. It will be noted from the figures below that exports to the United States, Germany, and France increased very considerably, as did those to Canada, although the latter are of less importance.

China's Exports to Principal Buying Countries

	1934			1935		
	Million Yuan \$	Rank	%	Million Yuan \$	Rank	%
Total exports	535	..	100.00	576	..	100.00
United States	94	2	17.63	136	1	23.67
Hongkong	101	1	18.85	95	2	16.47
Japan	81	3	15.16	82	3	14.24
Great Britain	49	4	9.30	49	4	8.58
France	21	6	3.95	29	5	5.07
Germany	19	7	3.58	28	6	5.02
British India, including Burma	22	5	4.14	20	7	3.53
Netherlands	14	11	2.74	15	8	2.65
Kwantung Leased Territory	18	8	3.44	13	9	2.33
Straits Settlements and F.M.S.	15	10	2.89	12	10	2.24
Korea	15	9	2.93	11	11	2.01
Morocco	9	12	1.71	10	12	1.87
Italy	6	4	1.26	7	13	1.33
Canada	3	19	0.66	4	19	0.73

POSITION OF THE BRITISH EMPIRE

A comparison of China's trade relations with the major political divisions of the world indicates, as shown in tabular form below, that those with the British Empire rank first.

	1934			1935		
	Imports	Exports	Total	Imports	Exports	Total
	Figures in Millions of Yuan			Dollars		
British Empire	235	196	431	221	186	407
United States and dependencies	276	100	376	179	142	321
Japanese Empire	142	118	261	156	110	266
Germany	93	19	112	103	29	132
France and dependencies	64	27	91	73	36	109
Netherlands and dependencies	71	21	92	73	20	93

CHINA'S IMPORTS BY PRINCIPAL COMMODITY GROUPS

(It should be noted that in this section values are shown in gold units (G.U.). This is because *detailed* statistics for import values are given by the Chinese Customs only in gold units and *not* in *Yuan* dollars. The gold unit's average value in 1935 was Can.\$0.68 as against Can.\$0.66 in 1934: thus an approximate idea of the value of each import in *Canadian dollars* may be obtained by taking two-thirds of the figures given. The average value in 1935 of the gold unit in terms of *Yuan dollars* was Yuan \$1.87.)

The table below shows China's imports from all countries during 1935 as against 1934 by principal groups in the order of their importance in 1935. The general grouping is that under which all commodities are classified by the Customs Statistical Department, but some individual products of major importance such as rice, wheat, cotton, etc., have been separated.

China's Imports by Principal Commodity Groups, 1934-35

	Millions 1934			Millions 1935		
	G.U.	Rank	%	G.U.	Rank	%
Total imports	529.0	..	100.00	504.0	..	100.00
Rice	33.4	3	6.31	50.9	1	10.10
Metals and ores	50.3	1	9.49	47.4	2	9.40
Machinery and tools	30.2	4	5.70	35.4	3	7.00
Paper and pulp	25.2	6	4.76	28.7	4	5.70
Raw cotton	45.9	2	8.67	22.8	5	4.50
Kerosene	20.2	8	3.82	20.6	6	4.09
Dyes, pigments, tints and varnishes..	19.8	9	3.74	20.4	7	4.05
Chemicals and pharmaceuticals . . .	21.2	7	4.00	20.3	8	4.03
Wheat	16.2	16	3.06	19.8	9	3.93
Timber	17.4	13	3.29	19.0	10	3.77
Miscellaneous metal manufactures . .	27.4	5	5.18	18.8	11	3.73
Vehicles and vessels	18.8	10	3.55	16.4	12	3.25
Manufactured cotton goods	18.0	12	3.40	15.3	13	3.04
Sugar	16.6	15	3.14	15.1	14	3.00
Wool and manufactures of.. . . .	18.3	11	3.46	10.9	15	2.16
Gasoline	9.8	17	1.85	10.6	16	2.10
Fishery and sea products	9.3	18	1.76	10.0	17	1.98
Flax, ramie, jute and linen	5.9	20	1.11	7.2	18	1.43
Animal products, canned goods and groceries	6.9	19	1.34	6.3	19	1.25
Tobacco	17.3	14	3.27	5.9	20	1.17
Medicinal substances and spices.. .	4.6	23	0.87	4.6	21	0.91
Coal	5.7	21	1.07	4.5	22	0.89
Silk and manufactures of, including artificial silk	3.9	24	0.73	4.4	23	0.87
Wood, bamboos, rattans, coir, straw, and manufactures of	5.2	22	0.98	4.1	24	0.81
Fruits, seeds and vegetables	3.7	25	0.69	3.8	25	0.75
Wheat flour	3.6	26	0.68	3.2	26	0.63
China ware, enamel ware and glass . .	3.5	27	0.66	3.1	27	0.61
Stone, earth and manufactures of . .	2.8	29	0.53	2.6	28	0.51
Hides, leather and other animal substances	3.1	28	0.58	2.5	29	0.49
Wines, beer, spirits, table waters, etc.	1.6	30	0.30	1.6	30	0.31

It will be noted that the total import trade declined from 529 million g.u. in 1934 to 504 million g.u. in 1935, or slightly over 4.5 per cent. Seventeen of the leading commodity groups decreased in value and thirteen increased in value. The decline in total imports, amounting to 25 million g.u., could almost be accounted for by the decreased imports of raw cotton alone, purchases of which dropped by 23 million g.u. The other most notable decrease occurred in the case of tobacco, imports of which fell from 17.3 million g.u. in 1934 to 5.9 million g.u. in 1935. These striking decreases in cotton and tobacco¹ were due

¹ A review of China's tobacco trade, entitled "Tobacco Trade of Central China," was published in *Commercial Intelligence Journal* No. 1678 (March 28, 1936), page 517.

partly to high prices prevailing in the United States, partly to increased domestic production in China, and partly to depressed conditions in the cigarette and textile industries. Imports of woollen manufactures dropped from 18·3 million g.u. to 10·9 million g.u. This fall was caused by smaller imports of woollen yarn and of manufactured woollen goods. Imports of raw wool actually increased, which reflects the growing importance of another domestic manufacturing industry. The decreases shown in the table for the miscellaneous metal manufactures group and the vehicles and vessels group arise from special circumstances and caused the artificial decrease in total imports mentioned earlier.

The first includes imports of arms and ammunition, and the second imports of aeroplanes. The value of both these imports is normally very considerable and they are almost entirely for Government account, but apparently for reasons of policy, the figures covering the Government's imports of these products in 1935 have been excluded from the customs returns. As a result, imports of munitions and arms, which were valued at 8 million g.u. in 1934, were valued at only 400 thousand g.u. in 1935, while imports of aeroplanes, which were valued at 4·5 million g.u. in 1934, amounted only to 1 million g.u. in 1935. Taken together the declines in these five major items alone account for a total decrease of 53 million g.u., or more than twice the decrease in China's total imports for 1935 as against 1934.

Turning now to those groups which show an improved position, it will have been noted from the above table that imports of rice and of wheat increased appreciably, purchases of rice alone accounting for over 10 per cent of China's total imports in 1935. The persistence of these large imports of cereals, which the country can produce itself, in spite of the criticism which has been directed against them as being uneconomical and in spite also of the duties imposed on them since 1933 (rice 1·65 g.u. per 100 kilograms, unhulled 0·83 g.u. per 100 kilograms, and wheat 0·50 g.u. per 100 kilograms), shows clearly that China's demand for bulk foodstuffs is not being filled at the present time by domestic production.

It is claimed that the improvement which is taking place in the internal transportation system of China plus the efforts which are being directed towards improving her agriculture generally will in time make her independent of foreign rice and wheat. This seems doubtful: there is much evidence to suggest in the first place that the country's population is increasing rapidly and, in the second place, that the land utilized for the production of wheat could be devoted more profitably to other crops such as tobacco and cotton. In any case the imports of rice and wheat, large as they are in certain years, constitute a very small proportion—perhaps 5 per cent at the maximum—of the country's total consumption.

Two of the major groups which have a special interest for Canada, namely, paper and pulp, and timber, show an encouraging improvement. Their imports increased appreciably in quantity and value and the relative importance of both groups has risen during recent years.

A detailed analysis of the individual items constituting the major groups shown in the table above is given at the end of this report. While it might perhaps follow more appropriately here, it is postponed in order not to delay a discussion of China's chief imports from Canada.

GERMAN COMMODITY MARKETS IN 1935

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, March 21, 1936.—There is presented below a review of conditions in various German commodity markets during the year 1935. The divisions of the German import market to which reference is made are, of course, those in which Canadian trade has been or is still of importance. It is also desirable that prefatory reference should be made to the general trend in Canadian business with Germany while, as a conclusion to the following statement, a brief analysis of the outlook for 1936 is also included.

As outlined in past issues of the *Commercial Intelligence Journal*, Canadian exports to the German market have undergone serious contraction. The value of this business has, for example, declined from R.M.303,100,000 in 1929 and R.M.132,600,000 in 1930 to R.M.12,335,000 during the past year. The approximate equivalents of these figures, in Canadian dollars, are \$72,167,000 for 1929, \$31,571,000 for 1930, and \$4,934,000 for 1935. The principal factors affecting this serious decline, apart from those enumerated under individual headings below, are the general shrinkage in world trade and the restriction of import business into Germany, by regulations of the German Government, to a point where little more than bare necessities are being purchased from other countries.

WHEAT

The importation of wheat into Germany during the year 1935 continued to be governed by the exigencies of the foreign exchange situation as well as by the availability of adequate supplies of home-grown wheat of average milling quality. German buyers were only granted permission to import foreign wheat when special channels for payment already existed or could be arranged, and in such cases special consideration was given to those countries in a position to supply Durum grades. This policy has resulted in the virtual cessation of Canadian wheat shipments to Germany.

The effect of the present regulations on Canada's former extensive trade in wheat to the German market, as well as on that of other supplying countries, may be seen from the following table showing import data for the past two years:—

German Wheat Imports, 1934 and 1935

Country of Origin	1934		1935	
	M. Tons	R.M. 1,000	M. Tons	R.M. 1,000
Canada.....	433,933	37,526	8,618	943
Danzig.....	48,880	8,639	323	51
Argentina.....	46,391	3,489	18,564	1,759
Soviet Russia.....	35,783	3,344	10,757	1,143
United States.....	15,893	1,336	27	2
France.....	14,118	1,157	36,575	2,955
Turkey.....	13,772	1,588	34,179	3,661
Yugoslavia.....	12,690	1,129	21,190	1,596
Hungary.....	9,927	559	15	2
French Morocco.....	5,038	586	348	39
Chile.....	4,448	503	3,744	405
Poland.....	3,626	605	5,541	927
Latvia.....	.....	.....	14,677	815
Other countries.....	2,462	458	4,345	417
Total imports.....	646,961	60,919	158,893	14,715

From the above figures it will be observed that Germany's wheat purchases in 1935 were no more than 25 per cent of those of the previous year, while Canada's portion of the trade during the same period declined to a mere fraction

of its 1934 level. Germany's purchases of Canadian wheat in recent years have made up a large proportion of the imports from the Dominion, and amounted in 1934 to over 60 per cent of the total. The loss of the German market for Canadian wheat has accordingly been the largest single factor influencing the drastic reduction in the value of Canadian exports to this country and the reversal of the customarily favourable trade balance.

Towards the end of the past year, small quantities of Canadian wheat were reported to have been purchased by German mills, under special payment arrangements, for the completion of export orders for flour upon which the wheat imports were made contingent. While it is not known how long these operations may be permitted, a small market may thus be recovered, but there is still little hope of renewed shipments of substantial quantities of Canadian wheat to Germany in the near future.

It must also be noted in this connection that such improvement in imports into Germany as may result from the development of this particular trade must be accompanied by some dislocation in overseas markets for Canadian flour, and that, in general, wheat shipments to Germany, except when they are for consumption within the country, may be counted as of no practical value.

FRESH APPLES

Germany's total imports of fresh apples in 1935 amounted to 79,514 metric tons (R.M.18,590,000), a reduction of some 50 per cent in comparison with purchases in 1934 of 165,346 tons (R.M.28,579,000). The domestic apple crop in 1935 was below average, and under normal conditions imports might have reached the level of 215,100 tons recorded for 1933, when the estimated yield was the same as last year.

The United States suffered the greatest proportionate loss of trade in this product, imports from that country declining from 62,671 tons (R.M.14,930,000) in 1934 to 12,726 tons (R.M.4,780,000) in the past year. Similarly, Australian and New Zealand sales of apples to this market declined perceptibly although purchases from such countries as Yugoslavia, Italy and Austria showed improvement. Imports of fresh apples from Canada declined from 2,540 tons (R.M.518,000) in 1934 to 1,257 tons (R.M.430,000) in 1935.

In spite of Germany's dependence on overseas countries for the bulk of her fresh apple requirements, it may be anticipated that this trade will suffer further restriction for some time to come. Apples can only be imported into Germany from Canada through barter transactions, and the conditions under which this business may now be conducted make it impossible for any considerable volume of trade to be carried on. In competition with United States supplies, Canadian apples now enjoy a tariff preference of R.M.8 per 220 pounds (\$1.45 per 100 pounds at the present rate of exchange), but owing to the stringency of barter regulations, this differential will not offer any material encouragement to shipments from Canada as compared with those from the United States.

DRIED APPLES¹

As a result of decreased imports of fresh apples as well as an abnormally small crop, the German dried apple market exhibited considerable strength during 1935. The United States and Canada supply the bulk of the dried apples imported into Germany and, in spite of the fact that all sales to this country from these sources had to be made through barter transactions, dried apple imports suffered to a less drastic extent than did those of most food products.

¹ A report on the "Market for Evaporated Apples" was published in *Commercial Intelligence Journal* No. 1663 (December 14, 1935).

The year's business amounted to 7,098 metric tons (R.M.6,394,000) in comparison with the 1934 figure of 9,597 tons (R.M.5,588,000). Prices received by exporters in both countries were apparently satisfactory. Imports from Canada increased from 176.7 metric tons (R.M.86,000) in 1934 to 355.9 tons (R.M.243,000), while receipts of dried apples from the United States declined from 9,197 tons (R.M.386,000) to 6,307 tons (R.M.5,935,000). There were slight improvements in the year's imports of this product from Yugoslavia and Italy.

SEEDS

Imports of Canadian seeds into Germany in 1935 were valued at R.M.49,000 as compared with a value for 1934 of R.M.868,000. Data covering imports from Canada during the past two years are given herewith:—

Imports of Canadian Seeds into Germany, 1934 and 1935

	1934		1935	
	Lbs.	R.M.	Lbs.	R.M.
Red clover	1,026,400	461,000	21,200	12,000
Lucerne	8,600	5,000	.....	.....
White and other (includ. alsike)	1,197,500	390,000	37,300	20,000
Grass seed	44,500	12,000	48,950	17,000
Total	2,277,000	868,000	107,450	49,000

Total imports of red clover seed into Germany in 1935 were valued at R.M.10,587,000, of which the following countries were important suppliers: Roumania, R.M.4,524,000; Latvia, R.M.2,870,000; Hungary, R.M.898,000; and Austria, R.M.639,000. Imports of most varieties of grass seeds declined in comparison with the previous year, although the business with countries with which clearing agreements existed showed comparatively small depreciation.

SAUSAGE CASINGS

German imports of sausage casings in 1935 amounted to 27,497 metric tons (R.M.33,568,000) compared with imports of the same product in 1934 of 36,763 tons (R.M.40,036,000). Shipments of United States origin declined from 6,948 tons (R.M.6,097,000) to 3,055 tons (R.M.2,462,000) during the same period. Canada's portion of this trade dropped from 759 tons (R.M.711,000) in 1934 to 189 tons (R.M.161,000) in 1935, while other important supplying countries, including Argentina, Soviet Russia, the Netherlands, and Australia, suffered similarly. In sausage casings Germany is largely dependent on importations, and one development during the past year was the appearance of a large number of new sources of supply. Such alteration in the trade has to some extent offset the decreased imports from the usual countries of origin, and may be explained by the attractive prices obtainable in this market whenever means of payment were available.

WOOL¹

During 1935 imports of Canadian wool into Germany amounted to 883,000 pounds (R.M. 483,000) as compared with 3,300 pounds (R.M.41,000) in 1934. The bulk of these shipments consisted of wool in the grease, although small quantities of washed and scoured wool were also included.

In the case of no other Canadian product imported into Germany in 1935 was the increased value of trade as large as in the case of wool. This may be attributed to Germany's interest in and necessity of arranging new sources of supply of this essential material as a result of the foreign exchange situation,

¹ A detailed report on the "German Wool Market" was published in *Commercial Intelligence Journal* No. 1673 (February 22, 1936).

as well as the impetus given to imports from Canada by the abnormal prices obtainable for such wool as was sold in this market through barter transactions.

Total imports of wool into Germany in 1935 showed an appreciable decline as compared with the previous year, while as a result of conditions affecting payment, a severe dislocation has taken place among sources of supply. Australia's trade in particular has suffered heavily, while South Africa now ranks first among supplying countries. Imports from Argentina and the United Kingdom increased.

HORSE HAIR

Considerable quantities of Canadian horse hair have found a market in Germany in recent years. In 1934 this trade amounted to 84 metric tons (R.M. 164,000), but in 1935 it declined to 13 tons (R.M. 24,000). Total horse hair imports into Germany in 1935 amounted to 2,579 tons (R.M. 4,733,000), as compared with 3,373 tons (R.M. 4,644,000) in 1934. The bulk of Germany's purchases in both years were from Soviet Russia and Argentina. Imports from the latter country increased between 1934 and 1935 from 602 tons (R.M. 767,000) to 926 tons (R.M. 1,702,000), while those from Soviet Russia declined from 1,568 tons (R.M. 1,936,000) to 1,174 tons (R.M. 2,029,000).

FISH PRODUCTS¹

Imports of Canadian fish products into Germany during 1935 were valued at R.M. 723,000 as compared with R.M. 1,183,000 for the previous year. The following table presents comparative figures of the trade in the principal items comprising these totals:—

German Imports of Canadian Fish Products, 1934 and 1935

	1934		1935	
	M. Tons	R.M.	M. Tons	R.M.
Fish, fresh or frozen.. . . .	163.3	136,000	183.8	155,000
Salted salmon	618.0	632,000	350.7	517,000
Fishmeal.. . . .	1,320.4	245,000	32.0	5,000
Fish oil.. . . .	797.0	139,000	.....	.....
Salmon caviar	1.4	3,000	.....	.....
Oysters .. . . .	.....	.....	.....	3,000
Canned lobster.. . . .	8.1	27,000	9.1	34,000
Canned salmon.. . . .	0.9	1,000	15.1	9,000

From the above data it will be noted that imports from Canada of mild-cured or salted salmon, fish meal, and fish oils have declined appreciably, with slight increases being recorded in the case of fresh or frozen fish, canned lobster, and canned salmon. Brief comments in regard to the principal fish products of interest to Canada are given below.

FROZEN SALMON AND FROZEN EELS

No distinction is drawn in German trade returns between various types of fresh and frozen fish, but the bulk of the imports credited to Canada in 1935 may be assumed to have been frozen salmon, the trade in which product has, under present circumstances, been well maintained. The trade in frozen eels, of which considerable quantities have been imported from Canada in past years, has suffered heavily as a result of various import restrictions.

MILD-CURED SALMON

German imports of mild-cured salmon in 1935 amounted to 1,520,300 pounds (R.M. 988,000) as compared with 3,055,500 pounds (R.M. 1,453,000) in 1934. Canada's share of this trade for the two years was 773,300 pounds

¹ An exhaustive report on the "German Market for Fish Products" was published in *Commercial Intelligence Journal* Nos. 1666 and 1667 (January 4 and 11, 1936).

(R.M.517,000) and 1,362,700 pounds (R.M.632,000) respectively. Shipments of the same product from the United States declined from 1,183,600 pounds (R.M.512,000) in 1934 to 572,600 pounds (R.M.340,000) in 1935. The less important supplying countries such as Soviet Russia and Japan also suffered corresponding losses in this branch of the fish trade.

FISH MEAL

Total imports of fish meal into Germany during 1935 declined to 109,211 metric tons (R.M.15,151,000) from the figure of 132,027 tons (R.M.19,739,000) recorded for the previous year. Norway's sales to this market in 1935 amounted to 53,984 tons (R.M.7,653,000), a slight increase over the corresponding figure for 1934 of 51,171 tons (R.M.8,058,000), while Japan's trade declined from 46,525 tons (R.M.6,293,000) to 29,072 tons (R.M.3,694,000). Other supplying countries whose exports of fish meal to Germany showed some improvement in 1935 included Portugal, Iceland, and the Netherlands; sales by Soviet Russia, the United States, and the United Kingdom were lower than during the previous year.

FISH OIL

Norway supplied the bulk of the unhardened fish oils purchased by Germany in 1935, the value being R.M.38,089,000 in a total of R.M.42,734,000. Other supplying countries included the United Kingdom (R.M.2,230,000) and Japan (R.M.1,427,000). Although Canadian offers on pilchard oil from the West Coast were generally competitive, payment difficulties made it impossible for sales to be concluded.

CANNED LOBSTER

Imports of canned lobster into Germany during 1935 amounted to 52,920 pounds (R.M.82,000); in 1934 the corresponding figures were 21,400 (R.M.34,000). As a non-essential commodity, imports of canned lobster during the year could only be effected through barter transactions at unfavourable ratios and the increased trade, though small, may therefore be regarded as satisfactory. Of the quantity imported in 1935, Canada supplied 20,065 pounds and Newfoundland 32,855 pounds.

CANNED SALMON

The total value of German imports of canned salmon cannot be accurately ascertained, although this trade in 1935 may be estimated to have amounted to about R.M.130,000, a considerable increase over the 1934 total of some R.M.40,000. In 1935 imports from the principal countries supplying "canned fish," the bulk of which is assumed to have been canned salmon, were: Soviet Russia, R.M.97,000; Japan, R.M.23,000; Canada, R.M.9,000; and the United States, R.M.1,000. Soviet Russia enjoyed the bulk of the increased trade in this item during the past year.

METALS AND ORES

Canada has been an important source of supply of many of the ores and metals which Germany purchases from abroad. The following table gives details for the years 1934 and 1935 of imports of those products of which Canada is recorded as a supplier:—

Products	1934		1935	
	Total		Total	
	Imports	Canada	Imports	Canada
	Values in 1,000 Reichsmarks			
Asbestos	5,146	1,270	5,535	1,287
Lead ore	8,045	.....	12,494	75
Gold ore	4,086	9	1,990	21
Nickel ore	10,413	7,825	5,806	3,693
Zinc ore	5,066	297	4,707	293
Unspecified ores	5,467	63	10,653	350
Unspecified metallic residues	19,607	.....	13,612	14
Scrap aluminium	2,382	17	2,309	5

Products	1934		1935	
	Total Imports	Canada	Total Imports	Canada
	Values in 1,000 Reichsmarks			
Lead	7,638	346	9,498	80
Refined zinc	9,004	922	3,034	103
Crude zinc	12,780	177	10,941	90
Nickel	13,054	3,441	12,598	785
Raw copper	79,489	4,664	59,033	889
Scrap copper	5,288	171	7,202	310
Brass and similar materials .. .	9,009	163	11,100	286
Bronze and copper alloys .. .	2,981	4	3,362	71
Chromium, cadmium, wolfram and unspecified metals..	3,158	38	2,321	69
Total	213,113	19,407	176,105	8,421

It is to be noted that Canada's trade in the products mentioned above declined from a value of R.M.19,407,000 in 1934 to R.M.8,421,000 in 1935. In spite of the decreased trade, imports of ores and metals from Canada in 1935 comprised over 65 per cent of the total value of Canadian products purchased by Germany; in 1934 the corresponding ratio was 20 per cent.

During the year 1935 metals and ores were retained on the list of "necessities," and as a result could be imported from Canada under more favourable conditions than obtained in the case of the majority of other products. After due allowance is made for decreased demand for certain metals, the considerable volume of trade lost to Canada in such items as nickel, copper and zinc may be attributed to the difficulties and uncertainties of trading under barter and other supervised business methods. The loss of trade recorded even in the case of these preferred products is to some extent indicative of the difficulties which now confront all Canadian exporters interested in the German market.

WOOD-PULP¹

A slight contraction took place in Germany's imports of chemical wood-pulp in 1935. Of the total quantity of 14,314 metric tons (R.M.15,375,000), Canada contributed 629 tons (R.M.130,000) in comparison with 4,797 tons (R.M.885,000) in 1934 when the total was 14,415 tons (R.M.17,411,000). As usual, Sweden supplied about 50 per cent of the total imports of this commodity, the actual figure being 7,261 tons, an increase over the 1934 total of 6,749. Increased sales of wood-pulp to Germany were also recorded in the case of Finland and Norway, while declines are shown in the case of Czechoslovakia, Austria, and Latvia.

LUMBER

Logs and sawn timber were not included on official preference lists for barter transactions during the year 1935, but, in spite of this fact, imports from those countries with which no other means of payment existed appear to have been well maintained.

The items comprising Canada's trade to this market in logs and lumber during the past two years are shown below:—

German Imports of Canadian Logs and Lumber, 1934 and 1935

	1934		1935	
	M. Tons	R.M.	M. Tons	R.M.
Logs from beech and other hardwoods ..	23.2	2,000	.....	.....
Logs from deciduous trees..	69.6	5,000	601.6	57,000
Logs from coniferous trees	3,173.5	192,000	2,425.0	141,000
Lumber from coniferous trees, sawn but not planed..	36.4	3,000	338.1	29,000
Building and construction lumber, finished:				
Hard	7.7	3,000	15.6	5,000
Soft	168.0	59,000	50.6	20,000
Total	3,478.4	264,000	3,430.9	252,000

¹ *Commercial Intelligence Journal* No. 1662 (December 7, 1935) contained a report on the "German Wood-pulp Market."

From the above data it will be noted that Canadian trade with Germany in logs and lumber showed a slight decline. Shipments of similar products from the United States, however, declined from R.M.8,629,000 in 1934 to R.M.6,063,000 in 1935. Canadian sales under the heading of coniferous logs are largely comprised of Douglas fir logs for the manufacture of veneers, in which item the United States also competes. Imports from this country under the same heading were valued at R.M.154,000 in 1935 as against R.M.186,000 in 1934.

FURS

German trade returns record the importation of raw furs from Canada in 1935 to a value of R.M.605,000; in 1934 this trade amounted to R.M.316,000. Over the same period Germany's total imports of raw furs declined from R.M.68,166,000 to R.M.51,622,000. Dressed fur skins imported from Canada last year were valued at R.M.30,000 as compared with R.M.23,000 in 1934.

MISCELLANEOUS

In addition to the above products, there are several other items regularly imported into Germany from Canada which, because of their importance in the past, or as a result of increased trade in 1935, merit special mention. Brief details are provided herewith.

Crude Drugs.—Canada's sales of crude drugs to this market in 1935 amounted to 17,640 pounds (R.M.12,000), of which the bulk may be assumed to have been senega root. The corresponding figure for the previous year was 36,820 pounds (R.M.28,000).

Cheese.—German imports of Canadian cheese during 1935 showed an encouraging improvement amounting to 94,815 pounds (R.M.16,000) as compared with 5,733 pounds (R.M.2,000) imported in 1934.

Carbon Black.—There was an increase in Canadian sales of carbon black to this country during 1935. Imports amounted to 208.9 metric tons (R.M.75,000) as compared with 63 tons (R.M.37,000) imported in 1934.

Metallic Salts.—Imports from Canada of chemical metallic compounds under the heading of "barium, lead, sodium and nickel compounds" in 1935 reached a value of R.M.217,000; in 1934 the value was R.M.36,000.

Dyes.—A considerable increase also took place in Canadian sales to Germany during 1935 of "copper colours and other unspecified dyes," which are believed to consist mainly of uranium salts. In 1934 imports under this heading amounted to R.M.34,000; in 1935 they were valued at R.M.143,000.

SUMMARY

The foregoing analysis of the principal factors in the imports from Canada into Germany during 1935 will in itself indicate an unsatisfactory outlook for improved business during the current year. It may, however, be additionally noted that, as mentioned in a report in *Commercial Intelligence Journal* No. 1670 (February 1, 1936), new regulations affecting barter trade with Canada, among other countries, have recently been enforced and will undoubtedly exercise a more serious effect on Canadian business to this market than those prevailing during 1935. There is no immediate prospect of an improvement in the situation.

CONSUMPTION OF FOODSTUFFS IN THE UNITED KINGDOM:

Sir John Boyd Orr's Report on Food, Health, and Income

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, March 24, 1936.—Increasing attention has been directed in the United Kingdom during the past few months to the problem of the undernourishment of some sections of the population. The subject came under the review of the League of Nations in virtue of its importance from two aspects: firstly, the new knowledge regarding food which has developed in recent years, and which has affected fundamentally the whole question of dietetics; and secondly, the plight of the agricultural industries of the world due to the general decline in purchasing power. The view has been expressed that if these two major problems could be linked they might be jointly solved. A contribution to the study of the matter has just been published in the United Kingdom in the form of a report entitled "Food, Health, and Income: A Survey of Adequacy of Diet in Relation to Income," compiled by Sir John Boyd Orr in association with the Rowett Institute and the British Government Market Supply Committee.

FOOD POSITION AT DIFFERENT INCOME LEVELS

Sir John Orr admits that it is difficult in the present state of knowledge to lay down precise and detailed criteria of perfect nutrition. He takes, therefore, as the basis of comparison for health the state of health and physique of those groups of the population who can choose their diets freely without any economic consideration seriously affecting their choice. Considered from this standpoint, the tentative conclusion is reached that a diet completely adequate for health according to modern standards is reached at an income level above that of 50 per cent of the population. This means that 50 per cent of the people of the United Kingdom are living at a level of nutrition so high that on the average no improvement can be effected by increased consumption.

The important aspect of the survey, however, is the inadequacy of the diets of the lower income groups and the markedly lower standard of health of those comprising these groups compared with that of the higher income groups.

Sir John Orr has investigated the food position of the United Kingdom to show the average consumption of the principal foodstuffs at different income levels. The standard of food requirements, and the standard of health adopted, are not the present average but the optimum, i.e., the physiological standard, which, though ideal, is attainable in practice with a national food supply sufficient to provide a diet adequate for health for any member of the community.

MAIN FINDINGS

The main findings are summarized as follows:—

I. Of an estimated national income of £3,750,000,000 about £1,075,000,000 are spent on food. This is equivalent to 9 shillings per head per week.

II. The consumption of bread and potatoes is practically uniform throughout the different income level groups. Consumption of milk, eggs, fruit, vegetables, meat and fish rises with income. Thus, in the poorest group, the average consumption of milk, including tinned milk, is equivalent to 1·8 pints per head per week; in the wealthiest group 5·5 pints. The poorest group consume 1·5 eggs per head per week; the wealthiest 4·5. The poorest spend 2·4d. on fruit; the wealthiest 1s. 8d.

III. An examination of the composition of the diets of the different groups shows that the degree of adequacy for health increases as income rises. The

average diet of the poorest group, comprising 4,500,000 people, is, by the standard adopted, deficient in every constituent examined. The second group, comprising 9,000,000 people, is adequate in protein, fat and carbohydrates, but deficient in all the vitamins and minerals considered. The third group, comprising another 9,000,000, is deficient in several of the important vitamins and minerals. Complete adequacy is almost reached in the fourth group, and in the still wealthier groups the diet has a surplus of all constituents considered.

IV. A review of the state of health of the people of different groups suggests that, as income increases, disease and death-rate decrease, children grow more quickly, adult stature is greater, and general health and physique improve.

V. The results of tests on children show that improvement of the diet in the lower groups is accompanied by improvement in health and increased rate of growth which approximates to that of children in the higher income groups.

VI. To make the diet of the poorer groups the same as that of the first group whose diet is adequate for full health, i.e. the fourth group, would involve increases in consumption of a number of the more expensive foodstuffs—viz., milk, eggs, butter, fruit, vegetables, and meat, varying from 12 to 25 per cent.

The report states as its main conclusion that this new knowledge of nutrition, which shows that there can be an enormous improvement in the health and physique of the nation, coming at the same time as the greatly increased powers of producing food, has created an entirely new situation which demands economic statesmanship. Important questions of administrative and economic policy must, of course, be involved in any attempt to relate these questions of malnutrition and the need, from the standpoint of agriculturalists, of extending the consumption of foodstuffs.

CATTLE MARKET IN THE UNITED KINGDOM

W. A. WILSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, March 27, 1936.—The price of live cattle in Great Britain in 1935 declined to and remained at a lower level than at any time during at least the last forty years. Relatively, the price of beef was noticeably lower than the price of any other meats, and fresh beef prices were lower relatively than both the chilled and frozen products.

SUBSIDY PAYMENT

The subsidy payment from the British Treasury of 5s. per live cwt. on cattle that would dress not less than 54 per cent, or 9s. 4d. per cwt. on the dead weight, and which has been available continuously since August 21, 1934, no doubt influenced many farmers in their policy of marketing their cattle. They planned to sell them when they thought they were suitable in flesh condition to qualify for the subsidy payment.

The quality of some of the beef weakened rather than strengthened prices because its eating quality did not appeal to the consuming public, when compared with the uniformly good chilled beef from well-finished small cattle in the Argentine. The latter product is all carefully selected from good light-weight animals that make the proper weight of joints and cuts for the popular demand as well as for the best section of the trade. It sells for less money, and on the domestic table it is scarcely distinguishable from good fresh beef, and by many users, apart from price, it may be preferred to the ordinary supply. To that extent it adds to the replacement of the fresh article in the general consumptive demand, an important factor in making the price of live cattle unprofitable.

CONSIDERATIONS AFFECTING PRICE

The psychological aspect of the trade must also be taken into account in connection with the low price levels for cattle that have prevailed for so long, but it is not, of course, a special feature peculiar to beef. To lift price levels following a period of depression generally is a slow process, even when the statistical position of the product has improved to the point of being favourable to higher prices. The British people change slowly in any practice—buyers of beef are no exception—and in this case the supplies were available in quantities from various exporting countries and also from home sources, but not in excessive amounts. Buyers were therefore content to operate carefully without anxiety about the future, and the existing prices remained with little or no change in consequence.

The first indication of an improvement in the price of live cattle became apparent with the demand for the Christmas trade early in December, 1935, and since that time further firmness has developed, more particularly for store cattle. Confidence in the future has been fairly well established among the feeders of store cattle by the Government's recent announcement and legislative provision concerning the subsidy payments continuing until October 31, 1936. By that time it is expected the long-term policy affecting meat imports and the home live cattle industry will be finalised.

IRISH IMPORTS

According to the Trade and Navigation Returns, the imports of cattle from the Irish Free State during the last three years and also the first two months of 1934, 1935, and 1936, were as follows:—

Year	No. of Head	Jan.-Feb.	No. of Head
1933	582,174	1934	71,210
1934	458,164	1935	62,090
1935	592,632	1936	95,733

The increase in 1935 over the imports of 1934 was 134,468 head, and for the first two months in 1936 compared with the corresponding period of 1935, 33,643 head.

The Ministry of Agriculture figures show the comparative shipments from Ireland (Irish Free State and Northern Ireland) in 1936 up to March 14, and in 1935 up to March 16, as follows:—

Description	1936		1935	
	Week ended Mar. 14	Total to Mar. 14	Week ended Mar. 16	Total to Mar. 16
Fat cattle	4,017	47,511	3,941	36,046
Store cattle	14,701	116,469	14,864	86,874
Milch cows and springers..	1,046	11,113	961	11,319
Calves	456	5,909	617	3,715
Total cattle	20,220	181,002	20,383	137,954

The increase in the number of fat cattle for the above period in 1936 compared with the imports for the period in 1935 was 11,465 head, and in store cattle 29,595 head. The number of milch cows and springers declined 206 and the imports of calves increased 2,194 head. The total increase in 1936 is 43,048.

LIVE STOCK CENSUS

A special census of live stock in England and Wales on holdings exceeding one acre was taken by the Ministry of Agriculture on December 4, 1935. The total number of cattle on December 4, 1935, compared with the record figure on June 4, 1934, shows a decrease of 149,735 head—6,510,420 compared with 6,660,155. The dairy herd has established a record at 3,080,390 head, which is 29,232 head more than on June 4, 1935, and 6,790 head more than the

previous peak on December 4, 1933. A corresponding census was made on December 4, 1935, by the Department of Agriculture for Scotland. The results of the inquiry show a decrease in the total number of cattle of 21,500 head—1,297,000 compared with 1,318,500 on June 4, 1935.

DEFICIENCY IN HOME STORE CATTLE SUPPLIES

The supply of well-bred home store cattle available for the spring sales is short of the demand, and it seems probable, judging by the early sales, that graziers will have to pay more than they did last year. It is stated that the deficiency is owing to the low level of cattle prices ruling in recent years. Many farmers in the outlying districts where cattle-rearing was formerly the mainstay are now producing milk, for which there is always a market. More calves have been slaughtered and the numbers of young cattle in the country have been seriously reduced.

The scarcity of home-bred cattle has led to further consideration being given to the possibility of a marketing scheme for cattle, to include stores. This would necessarily require complicated organization, and there are many who think that the best and simplest way of encouraging the rearing of cattle is to give a larger share of the Government subsidy on fat cattle to home-bred animals.

WEST OF ENGLAND MARKET FOR WOODENWARE

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, March 20, 1936.—The various industrial centres of the West of England and South Wales are important outlets for manufactured woodenware of all kinds. Besides a steady market for wooden household goods such as broom handles and clothes pegs, there is a heavy demand to meet the requirements of the many industries in the area for wood goods such as handles of all kinds and finishes, for skewers, and for dowels of various dimensions.

In recent years there has been a considerable reduction in the quantities of woodenware imported from the Continent of Europe. To a large extent the deficiency has been made up by the products of an expanding United Kingdom woodworking industry, but increasing imports from Canada have also been helpful in meeting the needs of the various markets.

BUSINESS METHODS

The trade is generally handled, as far as Canadian exporters are concerned, through resident agents or brokers, who, on commission, sell to importers, merchants, or consuming manufacturers of wood goods. There are, however, some large consumers, particularly of handles, who place their orders direct with Canadian manufacturers.

The import duty on woodenware from foreign countries is 20 per cent ad valorem. Imports from Empire sources of supply are free of duty, but the attention of exporters is directed to the necessity of complying with instructions concerning the careful preparation of certificates of origin, otherwise customs duties are liable to be collected.

WOODEN HANDLES

In the industrial areas of the Midlands there is a large and growing market for small turned handles of many shapes and finishes. Although imports of Canadian handles to date have been small, the quality of the finish has made a favourable impression on the trade. As a rule each purchaser has his own

designs or patterns and his own ideas as to colours and types of finish, but so far as is known practically every type of small handle used in this area could be produced in Canada.

BROOM HANDLES

Canadian broom handles up to 52 inches in length have long been known in the West of England, and there is a wide demand for them in both hard and soft wood. Generally the hardwood handle is requested by broom and brush manufacturers only, and then seldom in the white. Finish requirements vary, but clear varnish is in large demand. Coloured long handles are not desired by some manufacturers. In order to obviate complaints of damage, careful attention should be given to packing and stowing instructions. One customer, handling only softwood handles, specifies that Douglas fir goods be wrapped in paper before being strapped, and the whole then wrapped in the usual open-weave burlap. This firm pays 15 cents a gross more for this extra wrapping.

These long handles are demanded both with a round end and with the so-called "acorn" end. At one time a large trade was done in handles from the Western United States, particularly in Western hemlock. Canadian firms in a position to export handles of this material are requested to advise the Canadian Trade Commissioner at Bristol, who has received an inquiry for them.

Swedish handles have recently been sold at 13s. 6d. per gross, c.i.f. main English ports, for 48-inch lengths. English-turned handles from Swedish deals, 48 inches long, have been offered at 12s. 6d. a gross. A recent Canadian quotation for unpainted handles of Douglas fir, 50 inches long and $1\frac{1}{8}$ inches in diameter, was \$4.60 c.i.f. Avonmouth.

DOWELS

Dowels of all sizes and dimensions from Canada are being imported into the West of England for many purposes. In this trade there is an increasing competition, not only from continental suppliers but latterly from English producers. A Bristol furniture manufacturer recently stated that the quality of English dowels turned from Canadian birch was so high that his rejects could be put as low as 2 per 1,000; English dowel prices, however, were attractive. Canadian birch dowels are well regarded, particularly where quality is appreciated.

MAPLE SKEWERS

Canadian maple skewers, although primarily offered to the trade throughout the United Kingdom by firms located outside the territory allotted to the Bristol office, are also highly regarded in the West of England.

CLOTHES-PEGS

Although competition is keen in this line, importers are of the opinion that Canadian firms should be able to supply a greater proportion of the clothes-pegs which enter this market. Current offerings of Canadian "dolly" clothes-pegs are in the neighbourhood of 14 cents a gross, c.i.f. main United Kingdom ports.

Large quantities of the spring type of clothes-peg also are imported annually into the West of England; supplies from Canada are small. Competition is principally from Swedish manufacturers whose current offers for spring pegs, usually with a seven-coil spring, are 15 cents a gross, c.i.f. main ports. A well-known Canadian spring peg, with fewer coils in the spring but of a strength reputed equal to that of the Swedish product, is available at 17 cents on the same basis.

STEP-LADDERS AND DECK CHAIRS

In most of the large centres in the West of England there are firms who assemble patented folding step-ladders and deck chairs. Generally they are

not equipped to cut out the wooden parts needed, and as their trade in these articles expands they become interested in other than local sources of supply. To date these firms have entrusted their requirements either for Douglas fir for the ladders or for birch for the folding chairs, to local woodworking firms who cut to the patterns ordered. Interested Canadian woodworking companies are requested to communicate with the Canadian Trade Commissioner in Bristol.

WASHBOARDS

Another article, generally fabricated and assembled by woodworking companies, which has a large sale in the West of England and South Wales, is the domestic washboard. As sales are almost exclusively to purchasers with small incomes, the washboards are principally made with a white softwood frame and a metal scrubbing board. Glass boards are being marketed, but according to the estimate of one large dealer, the number disposed of is only 10 per cent of all washboard sales. The principal demand is for a board of zinc or brass, which is corrugated and punched in the factory of the woodworker who assembles the washboards. The recent continuous advance in zinc prices has tended to harden washboard prices, but one popular line in the West of England is still available to the retailer at 9s. 6d. a dozen, with a possibility that this could be reduced to 9s. or even less should large quantities be ordered.

CONTINUED IMPROVEMENT IN CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

SHIPBUILDING

Glasgow, April 3, 1936.—Although the flow of new business to the shipyards has not been maintained in the same volume as during the autumn months of last year, it has exceeded the rate of launching, so that the amount of work on hand has steadily increased. Some fifteen shipbuilding contracts were received in the Clyde area during the first three months of the year, ranging from comparatively small craft to motor ships and passenger steamers of considerable dimensions. Of twenty-three shipbuilding establishments in the Clyde area, all but one have work in hand. At least sixteen of these each have five or more ships on order, and a firm on the lower reaches of the river has no fewer than twenty ships under or awaiting construction.

On March 24 the great Cunard-White Star liner *Queen Mary* passed safely from the fitting-out basin of her builders, Messrs. John Brown & Company, Limited, Clydebank, to the anchorage at the Tail of the Bank, Greenock. Many hundreds of thousands of people congregated along the river banks to watch the ship pass down.

IRON AND STEEL

All sections of the iron and steel markets have continued strong, with the demand for pig iron, semi-finished and finished irons unabated. These industries indeed continue extremely active in all departments, and business is becoming difficult to negotiate because of the pressure for delivery, especially for shipbuilding and structural material. Clyde shipyards are absorbing large quantities of ship-plates and sections. There is reported to be a shortage of semi-manufactured material for rerolling, and imports are coming in from the Continent. Sheetmakers and tubemakers are also busy, mostly for home demand. A shortage of pig iron and melting scrap has been causing some apprehension in the steel trade. The number of blast furnaces producing pig iron in Scotland remains at twelve.

ENGINEERING

Activity in the engineering industries in the West of Scotland during the past three months has reflected the steady improvement in the home market. On the whole, export business leaves much to be desired, and no improvement can be expected until the international political situation is cleared up. When the Government's new defence program comes into operation these industries will benefit, although even without that stimulus most of the firms in heavy engineering are able to report increased employment in the past quarter, particularly so in marine engineering. Owing to the long depression there is no surplus of skilled workmen in these industries, and it is hoped that Government defence program orders will come gradually instead of in a rush.

CONTRACTING

This industry continues to improve, with an upward trend in the prices of materials. Housing schemes, some of great magnitude, are in progress. Most of these are in the control of the municipal authorities, and they will continue for many years. There is a good deal of bridge-building work in prospect during the present year, but there is much disappointment at the decision of the Ministry of Transport in refusing to make a grant from the road fund towards the cost of a road bridge over the Forth at Queensferry.

COAL

Since the beginning of the year the coal trade in Scotland has been brisk, the cold weather, which was exceptionally severe and prolonged, having stimulated the demand for house coal. This, and the heavy demand from the public utility works, iron and steel makers and others, kept the trade very active and prices have been firm. There has been little business in the export trade, as overseas customers are evidently unwilling to meet current quotations.

BORDER WOOLLEN INDUSTRIES

The tweed manufacturers in the border district have been busier during the past three months than for some time past. There is a more confident tone. Better business is being done with Germany, despite the present political troubles, and with the United States and South America, and there is a fair trade with South Africa. Little, however, is being done in the way of sales to Canada, Australia, or New Zealand.

The hosiery and underwear manufacturers, who were enjoying fair business earlier in the year, are now reported to be less busy. In the section devoted to knitted woollen goods for outer wear, trade continues active as it has been for a long time past. There is a sharp demand for the best makes of cardigans, jumpers, sports coats, etc., in both home and foreign markets.

WHISKY TRADE

There has been a general improvement in the Scotch whisky trade in the home market, and the general trade recovery has been helping exporters as well. The trade on the whole is in better condition than in the corresponding quarter of 1935, although there is no evidence of a "boom."

PAPER INDUSTRY

The majority of the Scottish mills are well employed and conditions during the past three months may be described as satisfactory. Consumption still lags behind production, however, and this fact has prevented any increase of prices

following advances in the cost of coal and freight rates on esparto grass, the principal raw material of the industry in Scotland.

JUTE TRADE

Prospects in the jute trade are obscure owing to the uncertain position in Calcutta, whose mills compete with Dundee for available world business. Lower prices are ruling for yarns and cloth, and consequently spinners are displaying little interest, and little business is passing.

The linoleum industry is very busy both with home and foreign orders, double shifts being worked.

REVIEW OF AUSTRALIAN OVERSEA TRADE, 1934-35

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

II

TRADE OF CANADA WITH AUSTRALIA

A comparison of the oversea trade of the Commonwealth with that of the Dominion for the fiscal year 1934-35 reveals a steady and, in some cases, marked expansion in trade between Australia and Canada, and the following figures illustrate graphically the gratifying development which has resulted from closer trade relations between the two Dominions, and the increased knowledge by Canadian, and particularly Australian exporters, of the value which both countries have derived from existing tariff preferences.

	Fiscal Year ended 1935	Imports	Exports	Total Trade
Canada.. . . .	March 31	\$522,431,153	\$667,133,957	\$1,189,565,110
Australia	June 30	360,220,750	549,112,140	909,332,890

(Australian figures converted at \$4.86 to the £1, par of exchange.)

Importations from Canada during the fiscal year 1934-35 were valued at £4,091,796, showing a substantial increase of £1,173,701 above the total for the previous year.

Similarly, Australian exports to Canada during the fiscal year 1934-35 amounted to £1,444,063, an increase of £108,040 over the trade of 1933-34.

For purposes of ready comparison, the following table shows figures of Australian imports from Canada and exports to Canada in the last four fiscal years:—

Australian Trade	Imports from Canada	Exports to Canada	Total Trade
1931-32.. . . .	£1,392,271	£1,033,782	£2,426,053
1932-33.. . . .	2,315,462	1,209,237	3,524,699
1933-34.. . . .	2,918,095	1,336,023	4,254,118
1934-35.. . . .	4,091,796	1,444,063	5,545,859

During the period under review, the improved economic conditions in both countries are directly reflected in the variety of products exchanged, indicating as it does not only new purchases, but heavy replacements of stocks for industrial requirements. The marked increase in sales to Australia of Canadian products, showing in many cases an increase in items which had previously decreased as a result of Australian secondary industries development, is particularly gratifying, indicating the sound basic recovery which Australia has made during the past year.

AUSTRALIAN IMPORTS FROM CANADA 1933-34 AND 1934-35

The following comparative statement of imports from Canada for the fiscal years 1933-34 and 1934-35 is submitted for the information of Canadian manufacturers and exporters.

	1933-34	1934-35
Fish—		
Smoked and preserved by cold process	£ 1,421	£ 1,841
Preserved in tins	275,041	362,580
Other	448	498
Sausage casings	38	1,195
Other animal foodstuffs	148	539
Foodstuffs of vegetable origin, non-alcoholic beverages, and substances used in making	679	1,086
Spirituous and alcoholic liquors	237	185
Fibres	3,116	3,885
Wood-pulp for paper making	93	1,905
Other vegetable substances	1,135	1,155
Boots and shoes	149	664
Corsets	13	296
Gloves	548	17
Socks and stockings	107	2,679
Other apparel and attire	2,435	3,585
Piece-goods	47,919	49,268
Sewing silks, etc.	8,579	5,236
Other textiles	116,766	189,768
Yarns and manufactured fibres	20,353	2,526
Oils, fats and waxes	337	1,435
Paints and varnishes	3,081	3,197
Machines and machinery—		
Electrical appliances and machinery	20,898	34,940
Implements and machinery—agricultural, etc.	6,720	11,605
Motive-power machinery (except electric)	7,390	7,059
Spark plugs imported separately	27,731	22,965
Typewriters, covers and parts	49,857	63,896
Other	35,437	83,498*
Iron and steel—		
Bars, rods, angles, and tees	49	2,076
Pipes and tubes	20,671	24,040
Wire, other than barbed	3,278	28,842
Lamps and lampware	11,002	16,276
Vehicles—		
Motor cars—		
Bodies	996	96
Chassis, and chassis parts	712,845	1,075,746
Other vehicles and parts	56,399	95,715
Other metal manufactures	83,807	164,444
Rubber and manufactures of	6,817	13,390
Leather and manufactures of	1,355	2,073
Furniture	530	1,240
Timber—		
Dressed	29,313	22,129
Undressed	493,916	616,737
Wood and wicker manufactures	16,328	16,831
Earthenware, cements, china, glass and stoneware	10,286	22,267
Paper—		
Printing	540,016	774,185
Wrapping	969	3,647
Writing and typewriting	26,051	27,686
All other	8,370	17,631
Paperhangings and wallpapers	9,653	12,493
Other stationery and paper manufactures	9,621	16,092
Jewellery, timepieces and fancy goods	35,199	47,081
Optical, surgical and scientific instruments	88,843	80,845
Calcium carbide	55	279
Cyanides of potassium and sodium	9,521	12,549
Medicines, proprietary	1,348	2,951
Other drugs, etc.	26,167	39,684
Arms and explosives	3,896	2,614
Instruments, musical and parts	851	1,872
All other articles, including classes too small for specific enumeration	79,267	92,782
Total imports from Canada	£2,918,095	£4,091,796

* Includes mining machinery, £37,298.

AUSTRALIAN EXPORTS TO CANADA, 1933-34 AND 1934-35

The improvement in Australian exports to Canada is indicated in the following schedule, showing a comparison of principal Australian exports to Canada (mainly primary products) during the last two fiscal years:—

	1933-34	1934-35
Mutton and lamb	£ 1,855	£ 84
Sausage casings	2,184	1,980
Other	97	2,444
Other foodstuffs of animal origin	495,472	23
Dried fruits	7,847	482,191
Fresh fruits	74,863	5,754
Preserved or pulped fruits	181,637	104,234
Sugar (cane)	30,507	340,989
Other foodstuffs of vegetable origin	28,344	22,531
Spirituous and alcoholic liquors	26,092	34,985
Gelatine and glue of all kinds		24,015
Hides and skins:—		
Cattle	5,077	2,086
Rabbit and hare	1,521	327
Sheepskins	6,642	979
Other	275	263
Wool—		
Greasy	20,842	9,383
Scoured and washed	166,569	83,202
Tops	222,387	217,875
Apparel, textiles, manufactured fibres and yarns	3,160	4,376
Timber, undressed*	2,539	1,920
All other articles.. . . .	58,113†	104,422†
Total exports to Canada.. . . .	£1,336,023	£1,444,063

*Exclusive of timber not measured in super feet.

† Includes flour 1933-34, £24,521; 1934-35, £40,963; tallow, £37,461.

AUSTRALIAN TRADE WITH THE UNITED STATES

During the period under review, there was a marked improvement in the total trade with the United States, imports into Australia showing an increase to £11,041,660, as compared to £7,839,250 during the previous year, while exports from Australia to the United States showed a slight increase from £2,512,431 to £2,757,935 in 1934-35. The marked improvement in imports constitutes further evidence of the general recovery throughout Australia from depression conditions, as will be noted in the following table:—

	1932-33	1933-34	1934-35
Imports from the United States	£ 8,084,160	£ 7,839,250	£11,041,660
Exports to the United States	3,538,659	2,512,431	2,757,935
Total trade.. . . .	£11,622,819	£10,351,681	£13,799,595

In the general classification and values of merchandise from the United States imported into the Commonwealth, a very considerable portion of the total imports consists of lubricating and petroleum oils and tobacco leaf. It is of interest to note, however, that the greatest increase during the year under review is recorded under metals, metal manufactures and machinery, due in large part to the remarkable increase in sales of motor cars, chassis and equipment.

United States exporters and manufacturers are maintaining close contact with their distributors and agents throughout Australia, and despite the undoubted improvement in secondary industries and difficult tariff and exchange factors, the sale of United States products shows expansion in practically all classifications, with the exception of oils, fats and waxes.

A slight improvement in exports from Australia to the United States, though applicable to a comparatively wide range of products, was not maintained in

respect to Australia's most important exports—namely animal substances, not foodstuffs, where a decrease of nearly £300,000 is noted during the year under review. On the other hand, the improvement in the mining industry throughout Australia is reflected in the exports of stones and minerals, including ores and concentrates, which amounted to £402,446 during the year under review, as compared to £272,165 during the previous year, while exports of vegetable oils, hardwoods for veneers, and seeds, recorded useful gains.

IMPORTS FROM THE UNITED STATES INTO AUSTRALIA

The following table gives the general classification and values of merchandise of United States origin imported into the Commonwealth in 1933-34 and 1934-35:—

	1933-34 .	1934-35
Foodstuffs of animal origin	£ 149,923	£ 228,194
Foodstuffs of vegetable origin; non-alcoholic beverages, and substances used in making	36,256	45,345
Spirituous and alcoholic liquors	233	1,546
Tobacco and preparations thereof	631,215	1,258,818
Live animals	842	5,637
Animal substances (mainly unmanufactured) not foodstuffs	35,860	93,708
Vegetable substances and fibres	110,508	115,221
Apparel, textiles and manufactured fibres	247,267	334,433
Oils, fats and waxes	2,307,723	1,711,367
Paints and varnishes	72,251	111,690
Stones and minerals, including ores and concentrates	61,212	64,260
Metals, metal manufactures and machinery	2,485,077	5,021,190
Rubber and leather and manufactures thereof, and substitutes therefor	60,975	72,443
Wood and wicker, raw and manufactured	231,749	300,600
Earthenware, cements, china, glass and stoneware	77,819	107,155
Paper and stationery	198,605	246,994
Jewellery, timepieces and fancy goods	17,606	44,702
Optical, surgical and scientific instruments	398,397	442,114
Drugs, chemicals and fertilizers	490,347	498,178
Miscellaneous	225,117	337,770
Gold and silver, and bronze specie	268	295
Total imports	£7,839,250	£11,041,660

EXPORTS FROM AUSTRALIA TO THE UNITED STATES

Particulars of Australian exports to the United States in 1934-35, compared with 1933-34, are as follows:—

	1933-34	1934-35
Foodstuffs of animal origin	£ 266,283	£ 325,984
Foodstuffs of vegetable origin; non-alcoholic beverages, and substances used in making	5,213	4,865
Animal substances (not foodstuffs)	1,747,329	1,454,529
Vegetable substances and fibres	4,645	44,743
Apparel, textiles, and manufactured fibres	2,668	2,461
Oils, fats, and waxes	197	337,430
Stones and minerals, including ores and concentrates	272,165	402,446
Metals, metal manufactures and machinery	68,086	52,271
Rubber, leather and manufactures thereof	2,561	571
Wood and wicker, raw and manufactured	31,457	48,111
Paper and stationery	4,859	4,874
Jewellery, timepieces and fancy goods	2,541	8,875
Optical, surgical and scientific instruments	3,507	6,122
Drugs, chemicals and fertilizers	22,475	30,126
Gold and silver, and bronze specie	20,852	3,707
All other articles, including classes too small for specific enumeration	57,593*	30,820
Total exports	£2,512,431	£2,757,935

* Includes spirituous liquors £37,805.

CONDITIONS IN JAMAICA IN 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

III

PUBLIC FINANCE

For the fiscal year ending March 31, 1936, Jamaica's total public revenue is estimated at £2,131,046, and total public expenditure at £2,195,403. (These figures relate only to the central Government and do not include revenue and expenditure of the municipal bodies.) As, however, a surplus balance of £66,199 was brought forward on April 1, 1935, the excess of expenditure over revenue during the current fiscal year will be more than covered; actually there will be a surplus of £1,842 on April 1, 1936. Total collections of public revenue in the period April 1 to December 31, 1935, were £1,587,997 as against £1,749,311 in the corresponding period of 1934. This latter figure includes the sum of £229,222, representing appreciation on investments in which the sinking fund on certain old loans lately redeemed had been invested. Total expenditure in these two periods was respectively £1,558,409 and £1,641,995. This latter figure includes the sum of £129,223 which was transferred to Jamaica's Calamities Insurance Fund.

In the period April 1 to December 31 inclusive, import duties yielded £803,951 and package tax £60,852 in 1935 as compared respectively with £761,040 and £56,887 in 1934. The total of import duties and package tax was £864,803 in the nine months ending December 31, 1935, and £817,927 in the corresponding period of the preceding year. Collections of import duties and of package tax were respectively £1,034,043 and £79,247 (total £1,113,290) in the calendar year 1935 and £998,634 and £76,000 (total £1,074,634) in the calendar year 1934. Jamaica's total public debt stood at £3,635,337 on September 30, 1935. Against this there were held accumulated sinking fund investments estimated then to be worth £513,417, so that the net total public liability on that date was £3,121,919. Since then £10,000 of loan has been paid off (on February 29, 1936); and two loans totalling £123,360 are due for redemption in January, 1937. On the whole, therefore, the Government's financial position is sound.

GOVERNMENT LOANS

In November last the Jamaica Legislative Council passed two laws to provide for the raising of Government loans totalling £2,000,000, to be spent on various public improvements. Of this sum, £1,433,300 is allotted to the Central Government and £567,000 to the municipal authorities of Kingston and the suburbs.

According to present plans the proposed program will be carried out by instalments and spread over some years, the Government making allotments of work, with the approval of the Secretary of State for the Colonies, in respect of each instalment. The raising of £500,000 has been sanctioned.

The Government is seriously considering the position and prospects of the state-owned railway, which is managed as a public department. The salaries and wages of present employees, the pensions of retired employees, and also the loans representing the capital cost of the line, rolling stock, and equipment are a charge against public funds; therefore, when the railway's earnings are less than its expenditure, the difference must be made good by the Government. The deficit is estimated at £95,400 for the fiscal year 1935-36 and at £39,502 for the fiscal year 1936-37, exclusive of charges in respect of any further capital expenditure. The haulage of bananas is the railway's most important source of revenue, and the shortage of this fruit since last September, following the hurricanes in

that and the succeeding month, has greatly curtailed its income. In the carriage of passengers as well as of freight the railway has for many years experienced severe competition from motor vehicles; passenger receipts alone are now about £122,000 less per annum than they were in 1920-21, and the decline is progressive, its present rate being about £5,000 a year.

A halt in road-building is indicated, because of the steadily increasing burden of maintenance, which amounts at present to £250,000 per annum in round figures.

TOURIST TRAFFIC

There has been a gratifying increase in the tourist traffic. The 1935-36 season, now nearing its end, is the best on record, due in great measure to the decline in the volume of travel to the Mediterranean, because of the Italo-Ethiopian war.

In the summer of 1935 the Jamaica Legislative Council passed a law, which became effective as from August 1 of that year, levying a tax upon all passengers (with certain exceptions of no particular interest here) transported to the colony. The tax, collected by the Government from the transport companies, is at the rate of 4s. per person for a stay not exceeding seventy-two hours and 10s. for a longer stay. The Government intends to use the proceeds for advertising Jamaica in other countries and otherwise for furthering the tourist trade.

TARIFF CHANGES

The only change made in the Jamaican customs tariff during the year under review was that in respect of unmanufactured leaf tobacco, on which the duties were increased on October 15 from 2s. 6d. per pound under the British preferential tariff and 3s. 4d. per pound under the general tariff to 4s. 3d. and 5s. 8d. respectively. The purpose of the increase was to help to provide for the annual reserve of £25,000 which the Secretary of State for the Colonies had directed to be set aside for eight years against the new public loans. The yield of the extra tax, which resulted in an increase in the retail prices of locally manufactured cigarettes, these being made in part from imported leaf tobacco, has been fairly substantial so far, but it is not yet certain that the annual yield will measure up to expectations.

TRADE WITH CANADA

In 1935 Canada's share of Jamaica's import trade moderately increased in value and slightly in percentage as compared with 1934. The Canadian percentage in the former year was 16·4; in 1934 it was 16; in 1933, 16; in 1932, 15; in 1931, 17·5; in 1930, 16·4; in 1929, 18; in 1928, 19·4; and in 1927, when the present Canada-West Indies Trade Agreement went into effect, 18·8. The percentage of Jamaica's export trade (as regards value) done with Canada in 1927 was 17·8; for the years 1928 to 1935 the respective percentages were as follows: 22·8, 24, 26·2, 26·2, 26·5, 27·8, 29·6, and 28·1.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, is making a tour of the principal centres of Canada in the interest of Canadian trade with Belgium.

His itinerary is as follows:—

Hamilton	Apr. 20
Guelph	Apr. 21
Kitchener, Hespeler, Galt.	Apr. 22
London, Chatham, Ingersoll, Stratford	Apr. 23
Brantford	Apr. 24

Smiths Falls	Apr. 27
Ottawa	Apr. 28 and 29
Montreal. Granby, St. Hyacinthe	Apr. 30 to May 8
Quebec	May 9

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Montreal, with the Montreal Board of Trade; for Ottawa, with the Department of Trade and Commerce; and for the other centres with the respective Board of Trade or Chamber of Commerce.

INDUSTRY IN SWITZERLAND IN 1935

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One Swiss franc equals \$0·192 at par and approximately \$0·32 or one-third of a dollar at present rate of exchange; one metric ton equals 2,205 pounds; one hectolitre equals 22 gallons; and one kilo equals 2·2 pounds.)

AGRICULTURE

This past year was more favourable to agriculture than 1934. Efforts have been made, especially towards the relief of farmers' indebtedness, and new measures are planned to prevent a recurrence of this condition.

The hay crop was satisfactory in 1935, both in quality and in quantity. Cereal harvests were also good. The price at which wheat was bought by the State was 34 francs per 100 kilos, the same as in 1934. The potato crop was less, 60,000 carloads as compared to 84,000 in 1934, and imports were necessary.

Fruit crops were variable, apples and pears doing exceptionally well, whilst cherries were poor. The wine grapes yielded 1,000,000 hectolitres of wine, a considerable improvement over the 1934 figure of 850,000 hectolitres; wine prices, however, are declining. The honey harvest was average.

Owing to the regulations which oblige egg importers to purchase also domestic eggs, prices for the latter were kept up. Cattle sales were good and prices were favourable. Hog quotations advanced during the last half of the year. Milk deliveries were somewhat less in 1935 due both to quota measures introduced by the producers themselves, and also to the better prices offered for meat; milk prices remained at the fixed level.

BUILDING

The building industry is in bad condition. The real estate market is frozen, discouraging both repairs and replacements. The difficulty of financing new constructions precludes their being put in hand. According to figures gathered from 28 Swiss cities, 6,393 new dwellings were completed during the first eleven months of 1935 as compared with 10,447 for the same period in 1934, while only 4,702 building permits for new houses were issued as against 8,082 during the January-November period of 1934. Building in the country districts was less influenced, but unemployment in the building trades was prevalent generally.

Naturally the brick and tile works were similarly affected, and their production fell off to one-quarter of capacity and staffs were reduced to one-half of the numbers employed in good years. Cement sales were 30 per cent less than in 1934, the factories only worked at about 40 per cent of capacity, and exports were unimportant. In spite of these conditions, low prices and the closing down of some of the cement works, a new factory is expected to be opened shortly, probably precipitating a further price struggle.

MACHINE AND METAL INDUSTRY

General conditions in these trades, while not improving, did remain about the same as in 1934, and unemployment, both in the technical bureaux and the workshops, was slightly more regular. Lessened building construction, however, lowered the demand in allied industries such as for elevators, sanitary installations, and refrigerators. Similarly, the bad state of the textile industries meant less call for spinning, weaving, and knitting machinery. There was a certain demand for machine tools, instruments and apparatus, but prices were unsatisfactory. Economy measures introduced by the public utility companies curtailed the demand in the heavy machine industries such as in those producing steam and gas engines, hydraulic machinery, dynamos, transformers, etc.

Employment in the locomotive construction industry, while still slack due to absence of orders both for domestic and foreign markets, was slightly better. The introduction of light-railway-car self-propelling units into the Swiss system gave several welcome orders. Increasing industrialization in certain countries is creating new demands for heavy machinery in which Switzerland will participate to a certain extent.

Manufacturers in other countries, however, subject to lower wage scales, are often able to offer more advantageously, and thus this country is forced to rely more on its reputation for careful workmanship and exact execution of orders to secure what business is offering. It is also somewhat difficult to secure the necessary capital to finance these operations.

WATCHES

Here the situation is considerably better than in 1934. Production has increased, exports are up both in volume and value, and unemployment throughout the industry has declined considerably. In 1935, the number of watches exported rose to 16,823,600 as compared to 14,370,300 pieces in 1934. This is a significant advance from the low point of 1932 when they stood at 6,700,000 pieces. The trade is not yet back to normal, as there were still 8,724 workers without jobs at the end of November, 1935 (9,661 in November, 1934), but prospects are decidedly better.

A comprehensive review of this national branch of endeavour was published in *Commercial Intelligence Journal* No. 1645 (August 10, 1935).

TEXTILES

WOOLLENS

On the whole 1935 was an unsatisfactory year for the woollen industry throughout its various branches. In the combed wool spinning trade, increased domestic demand brought about by restriction of imports from competitors has not been sufficient to make up for the decline in exports. The weaving and knitting factories reached normal occupation for only a few months in the year.

The number of spindles utilized in the woollen industry, in spite of reduced hours and staff, increased, however, by 27 per cent. This is due to the setting up of some new factories and the transformation of many cotton, artificial silk, and floss silk spinning concerns into woollen spinneries. The present demand happens to fall on articles necessitating little workmanship, therefore less employment is offered though sales have increased.

The same conditions prevail in the combed wool weaving industry, though the number of enterprises has more than doubled in the last few years. Wool dyers had an unremunerative year except for a few months in the latter part of 1935.

Felt sales declined. The carpet industry had to struggle against large imports of oriental carpets made in bulk at low prices; a portion of these supplies was accepted in compensation trade for other Swiss merchandise. Raw wool prices increased 20 or 30 per cent during the year, but manufacturers were unable to recover this cost in the sale prices of the fabricated articles.

More employment was offered in 1935 in the hemp and jute industry, but there was the same maladjustment between rising raw material costs and the sale prices of the finished goods as in the woollen trades. The linen industry had an unfavourable year mostly due to the absence of demand from the hotel-keepers.

COTTONS

This industry began the year well for, beginning in the fall of 1934, under the favourable terms of the German-Swiss clearing agreement, the accumulated stocks were disposed of to that country. Good-sized orders were also received

in the early part of 1935, but, as a result of the new quota restrictions imposed by the German authorities, that market is now practically cut off for the Swiss spinners. The manufacturers have been attempting to replace this lost demand by sales to eastern European countries which have clearing agreements with Switzerland, but so far without appreciable results. Due to this factor the domestic market is now flooded with offers, and prices are consequently under severe pressure.

Cotton weavers have had to restrict their production for all branches; those working the better class, as well as those selling medium quality and ordinary articles, are suffering from the lack of export orders. Lessened production all round in the cotton industry must be anticipated for 1936, as stocks both in the spinners' and weavers' hands are accumulating to a disturbing degree. The allied trades have shared similarly the depressing influences endured by the main industry.

SILKS

Swiss manufacturers of silk fabrics are having a hard struggle to meet foreign competition. In some instances the industry in other countries is subsidized as regards both the export field and its own domestic market. During the year demand has been relatively satisfactory, and styles calling for the employment of pure silk fabrics have bolstered sales considerably. Nevertheless consumption is falling and the number of workers in the industry is reduced. Exports in 1935 were valued at around 12,000,000 francs, the United Kingdom being the principal purchaser. The domestic market absorbs about one-half of the national production and could take more, for imports amounted to around 8,000,000 francs in value. Manufacturers affirm that both the tariff and the quota restrictions are insufficient for appropriate protection of the industry. Finished-article prices are not yet in keeping with raw material costs, which have more than doubled in the last few months. Total silk exports fell off more than 25 per cent in 1935 as compared to those in the preceding year.

RIBBONS AND FLOSS SILK

Trade figures disclose that though exports of silk ribbons have declined again in volume and in value, the rate of this decrease is much slower. The value of last year's exports was also lowered due to the decline in artificial silk prices, which is the principal raw material used in the fabrication of these ribbons. The manufacturers would now seem to have brought their net costs down to the level of foreign competition, and thus it is to be hoped that this industry may regain some of its lost export markets. This favourable condition is threatened, however, by a possible increase in raw material prices through a quota on artificial silk devised for the protection of domestic artificial-silk producers.

Exports of floss silk are curtailed by the textile crisis in Germany, the principal purchaser of this commodity, while sales to Brazil have been interrupted by transfer difficulties. In 1935 the floss silk exports were valued at 3,000,000 francs, or only a little more than half the worth of those in 1934. Production, therefore, has been curtailed. Prices have advanced due to rising raw material costs. Considering the increase in price of pure silk, a better demand may now be reasonably anticipated for the cheaper floss silk.

ARTIFICIAL SILK

Competition has been extremely severe on the artificial silk markets, both foreign and domestic, during 1935 and consequently sales have declined very appreciably. Exports at 16,800,000 francs reached but two-thirds of their 1934 value, production costs increased, and in addition several of Switzerland's best

customers definitely prohibited artificial silk imports. Domestic production actually surpasses the national needs of this commodity, so that even if foreign imports were entirely eliminated, the industry would be forced to fight its way on the export market. Imports in 1935 were reduced almost 24 per cent from the 1934 level, but still amounted to the considerable total of 11,329,000 francs. Prospects for 1936 are none too favourable for this industry.

KNITTED GOODS AND EMBROIDERIES

Orders for knitted goods have been small and irregular, exports are less and the domestic market has suffered both from the cut-throat competition of new factories and also from products made up in the home. Prices have suffered correspondingly in spite of the increased costs of silks and woollens. Prospects are rather uncertain.

Embroidery exports declined in 1935 by almost 20 per cent from the value of sales abroad during the preceding year. The monthly average of exports during the first ten months represented only 1,000,000 francs as compared to 1,300,000 in 1934 and 4,400,000 in 1931.

CHEMICAL AND PHARMACEUTICAL INDUSTRY

Manufacturers of colouring materials had a difficult time in 1935, not only in encountering high tariffs and import prohibitions, but also in meeting the increasing competition of new factories developed abroad. They managed nevertheless to maintain and even slightly surpass the value of 1934 exports. Sales abroad of chemical products for industrial uses, however, declined almost 18 per cent.

As for the pharmaceutical industry, its position improved considerably in 1935. Branded articles, in spite of patent infringements, which are difficult to prosecute due to certain unsatisfactory legislation in other countries, have increased their export sales. International trade has also been affected by payment difficulties and the state aid advanced in certain lands to their own pharmaceutical trade. Soap factories were relatively well occupied and enjoyed a fairly satisfactory year.

PAPER INDUSTRY

The Swiss paper industry depends almost entirely on its sales to the domestic market where there have, however, been difficulties owing to Scandinavian competition. This latter is stimulated by a lower wage scale and more favourable raw material prices. Liberal quotas have allowed considerable imports in 1935 and the local industry, already working at unsatisfactory prices, has had to curtail operations. Other protective measures taken by the State have led to an increase in the price of domestic pulpwood, and in addition the industry has had to absorb a considerable share of the timber damaged in the 1935 storms. Cellulose and groundwood pulp industries have suffered similarly. In view of the increase in raw material costs, a rise in paper prices may be expected.

TANNING AND SHOE INDUSTRIES

For the tanneries, the first half of 1935 was not very satisfactory, but during the autumn months there was a fairly good demand for leather, following a considerable increase in hide prices. Orders for the army helped a great deal in producing this result.

Conditions in the shoe industry were more stable, principally due to the operation of the Federal Bill which prohibits the opening of new factories or the enlargement of existing plants, thus avoiding unhealthy expansion. Domestic shoe sales have increased, and business is generally better due both to the

improved state of the leather market and the decline in imports. Prices, however, are low, so that many factories, while busy, are only paying expenses. Exports too have increased in volume, but their value is slightly less than in 1934.

DAIRY PRODUCTS AND CHOCOLATE

Condensed milk exports were less in 1935 than in the preceding year, being valued at 4,800,000 francs as against 5,200,000 in 1934. During the period under review fresh milk prices remained the same—i.e. 18·31 centimes per kilo—as in the preceding twelve months. Cheese exports declined also from 34,700,000 to 34,300,000 francs in 1935, unit prices decreasing slightly.

Customs barriers put up by various foreign countries to protect their own, and very often recently established, chocolate industries, render it more and more difficult for Swiss chocolate to be sold abroad. Exports in 1913 were worth 58,000,000 francs. In 1928 these had fallen to 35,000,000 francs, while in 1935 their net value was only 1,100,000 francs. With the export trade practically stopped, the producers are cutting one another's prices on the domestic market. Lessened purchasing power on the part of the individual consumer places the demand principally on the cheaper lines, which are usually manufactured by the newer factories to the detriment of the older and better-known plants which catered more for the quality trade.

FOREIGN TRADE OF THE DOMINICAN REPUBLIC

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

IMPORTS

Havana, March 18, 1936.—Imports into the Dominican Republic for the first seven months of 1935 amounted in value to \$5,831,510, while exports for the whole calendar year were \$15,530,975. The figures for the seven-month period of the previous year were \$5,977,289 and for the calendar year \$12,955,763.

Reviewing the first half of 1935, for which period only details are available, the United States was credited with the bulk of the imports with 50 per cent of the total, followed by Japan with 11·38 per cent, British India with 6·23 per cent, Germany with 5·88 per cent, and Great Britain with 4·90 per cent.

During the first half of 1935, trade with the United States was the best balanced of any; imports from that source were valued at \$2,559,000, and exports at \$2,588,000.

The trade with Japan was made up almost entirely of imports, valued at \$582,000; exports amounted to \$2,452. The success of Japan in this market is due entirely to the low prices at which she has been able to offer silk and cotton piece-goods, rubber-soled shoes, and (in minor degree) a variety of other commodities.

While Great Britain was fifth on the list of countries of origin with \$319,000, she is the best customer of the republic; her purchases, principally of sugar, were valued at \$2,837,000. Imports from Germany amounted to \$301,000, and exports to that country to \$161,000. Imports from Canada were valued at \$102,000. There are no figures covering exports to the Dominion.

PRINCIPAL COMMODITIES IMPORTED

While total imports for the first half of 1935 show very little increase over those of the same period for the preceding year, there has been a considerable rise in the value of imports of a few products which from their nature would

indicate an improvement in economic conditions. Passenger automobiles have doubled and automobile trucks have tripled in value; cement and copper have increased by 50 per cent, paper and its manufactures by 14 per cent, and jute bags, which are for the export of sugar, by 33 per cent.

On the other hand, articles for personal consumption such as cotton piece-goods, lard, dry salt fish, rice, wheat flour, and gasolene, show a decrease in value. The following is a list of a few of the products imported, with their values, during the period under review (1934 figures are shown in parentheses): passenger automobiles, \$119,000 (\$58,000); trucks, \$97,000 (\$29,000); cement, \$69,000 (\$40,000); copper and its manufactures, \$31,000 (\$20,000); cotton piece-goods, \$475,000 (\$575,000); jute bags, \$355,000 (\$267,000); lard, \$126,000 (\$162,000); dry salt fish, \$38,000 (\$74,000); smoked fish, \$17,000 (\$27,000); fresh potatoes, \$2,000 (\$6,000); rice, \$166,000 (\$216,000); wheat flour, \$127,000 (\$132,000); paper and its manufactures, \$174,000 (\$153,000); lumber, \$33,000 (\$32,000).

EXPORTS

Exports for the calendar year 1935 amounted in value to \$15,530,975 compared with \$12,955,763 for the previous year. In the order of importance, the following countries were the republic's best customers (previous year's percentages of total trade are in parentheses): Great Britain, 32 per cent (16); United States, 27 (19); France, 13 (18); Irish Free State, 12 (16). Although Canada purchased goods to the value of \$1,248,000 during 1934, no exports are given for 1935. Great Britain's purchases during 1935 increased nearly 150 per cent over those of 1934, while her percentage of the republic's total exports was double that of 1934.

According to the Dominion Bureau of Statistics, the trade of the Dominion with the Dominican Republic for the calendar years 1934 and 1935 was as follows:—

Imports from Dominican Republic		Exports to Dominican Republic	
1934	1935	1934	1935
\$1,414,797	\$1,876	\$230,762	\$145,152

PRINCIPAL EXPORTS

The following is a list of the most important commodities exported by the Dominican Republic for the calendar year 1935, with values compared with those of the preceding year:—

	1935	1934
Raw sugar (muscovado)	\$9,442,185	\$6,719,714
Cacao	2,096,598	1,738,264
Coffee	1,267,197	1,677,363
Cane molasses	831,661	610,676
Leaf tobacco	292,611	432,937

The 1935 sugar crop, which amounted to 424,157 long tons (an increase of 11 per cent over 1934), was harvested under very favourable grinding conditions, although there were heavy rains in the southern part of the republic which did a considerable amount of damage to roads and which delayed cutting and grinding at the outset. No damage of any account to the crop was reported. Very low prices for coffee, and a poor crop in the case of tobacco, effected an appreciable reduction in the exports of these commodities.

ECONOMIC CONDITIONS IN NETHERLANDS INDIA IN 1935

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, February 5, 1936.—Economic conditions in Netherlands India throughout 1935, though better than in the previous year, can only be described as poor. The chief impediments to recovery were unsatisfactory prices for the country's export products and the unfavourable condition of the state finances. Despite the lack of outward signs of improvement during the year, the country is now in a better technical position than it has been for some time. Drastic retrenchments by the Government, estates, and large trading houses have placed them in a better position to benefit from any improvement in world conditions.

The most encouraging feature of 1935 was the excellent yield from native food crops, the best in many years. Good crops are of particular importance at a time when the majority of the natives are not in a position to buy imported foodstuffs.

PUBLIC FINANCE

(Florin values have been converted to Canadian dollars at the rate of \$1 equals 1.50 fl.)

It is anticipated that when final figures for 1935 are available a deficit of \$23,102,000 will be recorded, revenues totalling \$180,142,000 and expenditure \$203,244,000. This is more favourable by \$3,618,000 than was expected when the 1935 budget was prepared. The improvement is almost entirely due to the yield from the export tax on native rubber exceeding expectations by \$4,667,000. Other sources of income to exceed estimates include the ground tax, stamp duties, transfer dues, and the beer excise. Returns less favourable than estimated were shown in the yields from import duties, petroleum excise, and sugar excise. Among the government enterprises and monopolies, the pawnshops have produced results far in excess of original estimates, emphasizing the monetary difficulties of the natives. The operation of government tin and coal properties also produced better results than budgeted for. On the other hand, the ordinary cost of government for the year exceeded estimates by \$3,635,000.

The 1935 result was the eighth consecutive deficit and, with an additional \$15,457,000 anticipated for 1936, the total deficit for the years 1867 to 1936 will be \$1,123,300,000. The outstanding funded debt at the end of 1935 amounted to \$909,020,000, on which the annual interest charges amount to \$34,738,995, or over \$667,000 a week. Only a prolonged and marked revival in trade and industry can restore government finances to a sound position. Further economy measures for 1936 are expected to reduce expenditures by \$6,700,000. Taxes have been increased by 80 per cent since 1930, and yet estimated proceeds have decreased by 35 per cent, indicating that further rate increases would not be economical and that any improvement will have to come from larger returns at existing rates.

At the end of the year notes in circulation amounted to \$105,000,000 compared with \$120,000,000 at the end of 1934 and \$215,300,000 in 1928. The steady return of metal coins to the Java Bank, the local bank of issue, is further proof of the difficulties experienced by the native population. Gold stocks in the Java Bank at the end of 1935 were valued at \$53,000,000 as compared with \$89,000,000 when the year began. During the same period silver stocks declined from \$19,250,000 to \$14,700,000.

STOCKS AND SHARES

The following table gives the index figures of the various groups of stocks up to November, 1935:—

	Jan.	March	June	Sept.	Nov.
Rubber shares	31	30	36	32	33
Sugar shares	13	14	16	15	21
Tea shares	44	38	42	42	44
Tobacco shares	23	23	23	24	28
Agriculture bank shares	15	15	17	16	20
Bank shares	28	27	33	30	32
Trading company shares	55	57	62	58	58
Railroad shares	13	13	15	14	20
Shipping shares	19	20	21	23	27
Group $\frac{1}{2}$	27	26	29	28	31
Government bonds	101 $\frac{1}{2}$	100 $15\frac{1}{16}$	95 $15\frac{1}{16}$	90 $15\frac{1}{16}$	96 $5\frac{1}{16}$

The general average of stock market quotations was slightly higher at the end of the year than at the end of 1934. Nevertheless the rate of advance was much slower than that of most other countries, indicating that recovery has been correspondingly slow. The weakness of government bonds is attributable to uncertainty about the future of the guilder, and also to a transfer of funds to stocks in the leading companies the prospects for which are considered improved.

CREDIT SITUATION

None of the larger organizations encountered financial difficulties during the year, and it is probable that when final results for 1935 are available the number of failures among the smaller trading companies will show a decline. This is not so much due to an improvement in conditions as to a weeding out of the weaker concerns. The trade restriction measures adopted by the Government in the past two years have given the old-established import houses a respite from the steady drain on their reserves and a chance to operate at a profit in the future. Any firms considering the appointment of agents in this territory, however, should fully investigate their financial standing. The Batavia office will be glad to assist in this connection.

PRICES AND WAGES

Government and private enterprise continued to reduce personnel and wages wherever possible. An increase in the number of registered European unemployed from 4,041 in October, 1934, to 4,792 in November, 1935, is of little significance because the registrations are so incomplete. Also registered are 13,622 natives and 1,110 Chinese. Figures for Orientals do not give an accurate indication of the numbers actually out of work, since a large portion of these never appear on the relief lists, being provided for generally by relatives. The Government continued to work on a compulsory pension and insurance scheme throughout the year.

Largely to relieve unemployment, an alien restriction ordinance was passed preventing the admission of foreigners for employment in Netherlands India. The Governor General has the power to make exceptions, but it is expected that this authority will only be used to allow technical experts to enter. Foreigners already admitted may leave the country and re-enter if the time of absence does not exceed one year. Taking 1913 as 100, the index number for cost of food for a European family was 88 at the beginning of the year and 89 in December. On the same basis the costs for a native family fell from 67 in January to 65 in November.

COMMERCIAL POLICY

The commercial policy of the Government in the past few years has been twofold:—

First, to limit the production or export of certain raw materials native to this country. This may take the form of international agreement as with the export quotas on rubber, tea and tin, or it may be a purely local, voluntary

restriction as with chincona bark; but the object is the same in both cases, namely, to adjust supply to demand.

Secondly, to control imports of certain articles. Such control may be for the purpose of insuring that a percentage of the total imports shall come from the mother country, or it may be to protect the manufacturers of similar articles in this country from undue pressure of competition from abroad, especially where newly established industries are concerned. In addition, the Government is authorized to allot various proportions of the total imports to specified import firms. The purpose is to assure the established importers of the articles restricted a fair share of the total amount allowed in, based on the quantities they were importing at some given period in the past. The Government can also restrict the introduction of new industries likely to compete with ones already in existence where it appears that the market does not warrant present expansion.

RESTRICTIVE MEASURES IN FORCE

At the close of the year there were restrictions against the opening of dairies in certain districts, warehouses and stevedoring companies in the various harbours, printing and publishing houses, cigarette factories, metal foundries, weaving mills and ice manufacturing plants.

Due to one or more of the above reasons, imports of the following items have been regulated: bottled beer, cement, artificial fertilizer, soap, earthenware, wrapping paper, electric light bulbs, glass bottles, iron and its alloys, copper, brass and bronze, zinc and zinc alloys, bicycles, brushes, knives (including razor blades), petroleum and oil lamps, automobile and motorcycle tires and tubes, sewing thread, shirtings, cambrics, cotton cloth, bath towels, and handkerchiefs. A complete list of the items restricted, with details on the amount of restriction, is available upon application to the Department of Trade and Commerce at Ottawa.

MARKET FOR ALIMENTARY PASTE PRODUCTS IN NETHERLANDS INDIA

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, February 12, 1936.—The Netherlands Indian market for macaroni, vermicelli and similar products has been well maintained throughout the depression. Total imports in 1932 amounted to 3,389 tons compared with 3,708 tons in 1935. The average prices have changed very little, the value of 1932 shipments being \$591,620 and 1935 shipments \$630,000. Twelve countries are shown as sources of supply; three of them—Hongkong, China, and Singapore—account for 85 per cent of the total. The statistical item which covers macaroni and vermicelli also includes a large number of other articles of similar composition such as mikoa, misoa, noodles and bihoon, designed largely for the Chinese and native consumers. As these groups far outnumber the Europeans, the bulk of the imports under this heading are of the latter type. Such foods are practically an essential to thousands of Chinese throughout the territory. Macaroni and vermicelli, on the other hand, are chiefly for European consumption, and importations are affected to a greater extent by the depression.

MACARONI AND VERMICELLI

The better-class demand for macaroni and vermicelli is met by imports from France (153 tons), Holland (59), Italy (32), Australia (8), and Canada (7 tons). Although the statistics do not separate the Chinese and native foods from the macaroni and vermicelli, it is certain that Singapore, Hongkong, and China

contribute very little, and it may be nothing, to the macaroni trade. Similarly, European countries are not important in the other lines. The explanation is probably that the exporting countries only offer those products which have an outlet at home.

In the belief that some of these Chinese foods can be made in Canada, samples of the most popular types have been sent to Ottawa with approximate prices c.i.f. Java ports. Any Canadian manufacturers of alimentary paste products interested in examining these samples may do so upon application to the Department of Trade and Commerce, Ottawa. If able to equal the samples submitted, at competitive levels, they should send samples and prices to the Batavia office. As the market is largely for products of this kind, satisfactory representation can be readily secured.

Canadian macaroni was not seriously pushed in this market until late in 1933. By 1934 sales amounted to 530 cases. Figures for 1935 are not yet available but they will show a marked increase over the preceding year. There are a number of import houses anxious to make connections with Canadian manufacturers, and any firm interested should provide samples and c.i.f. prices.

PACKING

When European macaroni was first introduced the demand was for packing in hermetically sealed tins to ensure against depreciation of stocks due to high humidity conditions. This packing was effective but expensive, and with the advent of cellophane and improved waxed papers, the hermetically sealed tins were discarded. Packing is still important; packages should be as air-tight as possible. The size of the packets varies, most European manufacturers employing cases of 100 packets of 250 grams each. The usual Canadian packing is in 8-ounce packages, 56 packages to a case. Within the package, the macaroni should be tightly packed to minimize the risk of breakage. An attractive label is important. A number of European and Canadian manufacturers supply packets with cellophane windows; these are well received.

PRICES AND IMPORT DUTIES

The present competitive price is about \$2.25 c.i.f. per case. Imports must compete with a local product made in Soerabaia by a small factory with an annual output of about 40 tons.

Macaroni is valued for duty purposes at 24 cents per kilo, and vermicelli and spaghetti at 25 cents. An ad valorem duty of 18 per cent is levied on the value thus computed.

GROWTH OF PROVINCIAL MONOPOLIES IN SOUTH CHINA

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Hongkong, March 11, 1936.—The expansion of government control in commercial matters through monopoly of sale and distribution of key products has been a feature of the efforts of the provinces in South China to ensure a greater degree of self-sufficiency. Monopoly of the production and sale of salt as exercised by the Central Government for a long time past, with the prohibition on imports enforced by the Chinese Maritime Customs, is not of the same type as monopolies currently being developed by the Provincial Governments in South China.

PROVINCE OF KWANGTUNG

The Province of Kwangtung has within the past three years established monopolies in the production and sale of sugar and cement (see *Commercial*

Intelligence Journal No. 1652: September 28, 1935, and No. 1658: November 9, 1935) and commercial alcohols.

The growth of these monopolies has been accompanied by an increasingly rigorous control of competitive imports, principally by means of provincial import taxes. The most recent measure affecting imports has been the establishment of the National Products Sales Bureau, which has been empowered to collect a special assessment of 20 per cent on the duty-paid landed costs of machinery of the following types: raw oil machinery of every sort, including Diesel engines; water pumps; centrifugal water pumps; tobacco cutting and laundry machinery; mixing machinery; bean cake milling machinery; hair cutting and dressing equipment; stamping machines and peanut milling machinery; together with such types as can be made in Kwangtung.

The establishment of the National Products Sales Bureau is one of the measures introduced by the Kwangtung Government under the second "three-year policy" with the object of bringing about self-sufficiency.

Exclusive control of the export of wood oil and wolfram ore have been maintained through a central sales bureau for the past two years. In so far as the tung oil industry is not native, but rather a resale of the oil from the adjoining provinces of Yunnan and Kwangsi, little significance is attached to the movement as it affects this product.

It is considered, however, that the wolfram ore monopoly has exercised a beneficial effect on the trade, the maintenance of a Bureau of Standards having resulted in standardization of the qualities of the ores. A higher net return to the producer and an increase of revenue for the province are additional evidence of the successful operation of the monopoly.

A feature of the export monopolies of the Kwangtung Government is that they have endeavoured to establish control of the system of collection and have centralized sales to the exporter, but have made no attempt to eliminate the middleman by direct sales to the foreign consumer.

PROVINCE OF KWANGSI

The Province of Kwangsi, immediately to the north of Kwangtung, has introduced measures permitting monopolization of all trade whether import, export or domestic, through the creation of the "Export and Import Trading Bureau of Kwangsi." Efforts to eliminate the middleman trader from the export field in Hongkong by direct sale to ultimate users have not met with a favourable reception.

Included in the export section of the Kwangsi monopoly is the control of wolfram ore, tung oil, aniseed oil, manganese, antimony and tin.

No provision has been made for the establishment of a bureau of standards to guarantee the quality of monopolized exports, though this may be an early development. Prices of Kwangsi tung oil and cassia in Hongkong have declined owing to uncertainty regarding quality.

It is reported that another result has been the rerouting of exports, previously transported from Kwangsi via Canton-Hongkong, northward through Hankow, in order to escape monopoly supervision, and from thence to Shanghai. The movement has been noted particularly in the case of tung oil, for which the principal source of supply is Yunnan, the province immediately to the west of Kwangsi, whence there had always been these two alternative routes for exports.

The movement towards monopolization in Kwangsi culminated in September, 1935, in the formation of a private syndicate, under government charter, operating as the "Wing Hon Industrial Development Company." This was shortly superseded by the Kwangsi Provincial Import and Export Trading Bureau, created by an act of the Kwangsi Provincial Council, with effect as from November 20, 1935.

Business under the control of the bureau will include the purchase, transportation, insurance, and sale of goods at present exported from Kwangsi or comprising the principal items of import trade.

Capitalization will be supplied to a maximum of Chinese \$1,500,000 by the Bank of Kwangsi against interest charges of one-half per cent per month, while profits are to be distributed on a basis of 40 per cent for reserves, 20 per cent for staff bonus, and 40 per cent for consolidation with the revenues of the province.

The provincial government have passed and proclaimed the requirements governing the Export and Import Trading Bureau, and are advising that aniseed oil, wood oil, wolfram, antimony, manganese and tin are hereby specified as monopoly goods.

As far as can be determined, no monopolization orders affecting the trade in imported goods have been executed to date, though such action may be anticipated, since the primary objects of the movement in Kwangsi are promotion of self-sufficiency and the provision of additional revenues for the province.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Restricts Bacon Imports from France

The British Board of Trade have made a declaration under the Bacon (Import Regulation) Orders, 1934-35, the effect of which is to make the importation into the United Kingdom of bacon produced in France subject to licence. The declaration came into force March 26. The importation of bacon the product of France had not previously been restricted.

Irish Free State New Duty on Dressed Rabbit Skins

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, a customs duty of 6d. per article has been imposed, as from March 28, 1936, on all dressed or dyed rabbit skins or parts of skins imported into the Irish Free State. Previously dressed rabbit skins entered the Saorstat duty free. The present legislation is designed to protect the newly-established domestic industry.

Australian Tariff Changes

A change is announced in the Australian tariff on Portland cement. Prior to November 29, 1935, the rates were 1s. per cwt. (112 pounds) under the British preferential tariff (applicable to Canada) and 1s. 6d. per cwt. under the general tariff. From November 29, 1935, Portland cement was free of duty under the British preferential and subject to 1s. 4½d. per cwt. under the general tariff. Information now received is that rates of 6d. per cwt. under the British preferential and 1s. 6d. under the general tariff became effective on April 2, 1936.

Sanitary and lavatory articles of earthenware, including glazed or enamelled fireclay manufactures, reverted on April 1, 1936, to the rates effective prior to December 12, 1934, viz: 35 per cent ad valorem under the British preferential (applicable to Canada) and 60 per cent ad valorem under the general tariff when the value of each article does not exceed 20s., and 25 per cent and 50 per cent ad valorem respectively on articles valued at over 20s. each. From December 7, 1934, to April 1, 1936, rates of 15 per cent and 50 per cent ad valorem under the respective tariffs, irrespective of the value of the article, were in effect.

On both Portland cement and sanitary articles of earthenware there is provision for a reduction of the British preferential rate proportionate to the depreciation of Australian currency at the time of exportation of the goods.

New rates of duty on barbed wire became effective on April 2, viz: British preferential free of duty, rate to Canada 50s. per ton (2,240 pounds); general tariff 160s. per ton.

All the foregoing is based on cabled information and is subject to correction when official documents are received from Australia by mail.

New Zealand Import Prohibition Affecting Wheat and Wheat Flour

Mr. H. L. E. Priestman, Assistant Trade Commissioner in Auckland, writes under date March 16, 1936, that in *New Zealand Gazette* No. 21, dated March 12, 1936, is published an Order in Council under date March 11, prohibiting the importation, save with the consent of the Minister of Customs, of wheat and wheat flour and similar preparations of wheat within the meaning of tariff items numbered 4 (2), "Wheat," and 5 (9), "Grain and pulse, ground or manufactured, viz. wheat flour, including wheat meal and similar preparations of wheat," otherwise than in pursuance of a written permit issued in that behalf by the Minister of Industries and Commerce. The effective date of the prohibition is not stated, but is understood to be that of publication, namely, March 12.

A press statement issued by the Minister of Industries and Commerce states that this embargo is in furtherance of the Government's scheme for stabilization of the wheat-growing and flour-milling industries, and it will be necessary for importers of wheat and all preparations of wheat to apply for a permit to import.

In regard to flour and wheat, permits will be granted in respect of particular shipments, and applicants for permits are required to give details as to the quantity they desire to import by any particular vessel, the name of the ship, date and port of loading, and approximate date of arrival in New Zealand. No general permit to import wheat or flour will be granted.

With respect to preparations of wheat other than flour, a general permit to import will be granted on application being made, and this will remain in force until cancelled.

All applications for permits are to be made to the Department of Industries and Commerce.

In the light of this statement, it would seem that the requirements affect importers, who will need the information required for application for permit in the case of flour or wheat, as regards carrying vessel, etc.

It is considered that this embargo will drastically affect the former exports of Canadian flour to this market. On the other hand, as there is likely to be the need of hard wheat to blend with New Zealand soft wheat, and as there is reported flood damage to crops in the wheat-growing districts of New Zealand, there may be a better opportunity of marketing Canadian wheat on its merits than has previously existed in New Zealand.

Licence Fee for Commercial Travellers in Jamaica

Mr. F. W. Fraser, Canadian Trade Commissioner in Kingston, Jamaica, writes that the Colony of Jamaica, by the Trades and Business Amendment Law, 1935, effective April 1, 1936, imposed an annual fee of £25 for non-resident commercial travellers. The whole amount of the fee is to be paid at the time of application for the licence. The Act states: "'Commercial traveller' means a non-resident person, not otherwise licensed under this law, who takes, solicits, or receives order for goods on his own behalf or on behalf of a person, firm, or company carrying on business outside of the island. A 'non-resident person' means a person other than a person ordinarily resident in Jamaica for at least five years before engaging in business."

Malta Increases Empire Content Required for Preference Purposes

The *British Board of Trade Journal* of March 26 announces the enforcement in Malta on March 3 of "Empire Preferential Tariff Regulations, 1936," the effect of which is to increase the Empire content required for tariff preference purposes in certain manufactured goods from 25 per cent to 50 per cent and in the case of optical goods to 75 per cent. The list of goods in the 50-per-cent category is similar to, but not identical with, the one for which the United Kingdom requires a 50-per-cent Empire content.

Netherlands Import Restrictions on Plywood

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, states that by a royal decree of March 31, 1936, the restrictions on the importation into the Netherlands of plywood, with the exception of alder, birch, and Douglas fir plywood, to which reference was made in *Commercial Intelligence Journal* No. 1666 (January 4, 1936), page 42, have been extended. During the period from April 1, 1936, to September 30, 1936, imports shall not exceed 50 per cent of the average gross weight imported from each exporting country per six months during 1934. The Minister of Trade, Industry, and Shipping may grant special quotas to designated countries.

Decrease in Netherlands Monopoly Tax on Wheat Flour

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, writes that by a ministerial order of March 24, 1936, effective March 25, the Netherlands monopoly tax on wheat flour, to which reference was made in *Commercial Intelligence Journal* No. 1678 (March 28, 1936), page 561, has again been reduced from fl. 6·25 to fl. 6 per 100 kilos.

Consular Invoice Requirements in South China

Mr. V. E. Duclos, Canadian Trade Commissioner at Hongkong, writes under date March 13, 1936, that with reference to the notice in *Commercial Intelligence Journal* No. 1678 (March 28, 1936), page 561, conditions are substantially as outlined for shipments to South China using the entrepôt facilities of the port of Hongkong.

The Canadian exporter should at all times be advised by his clients in respect to the need for consular invoices. In the absence of such instruction the omission of consular invoices will be without penalty against the goods, since Chinese Maritime Customs in the Colony of Hongkong issue consular invoices to local exporters with cargo moving into South China, subject only to payment of costs amounting to five gold units.

In so far as the importer in Hongkong is customarily a separate party from the purchaser in South China, shipments to the latter territory are normally stored in Hongkong pending completion of the financial aspects of the sale. On completion of the local negotiation, the goods are forwarded piecemeal, which involves the invoicing of each separate lot of goods.

Consular invoices issued for consolidated shipments in Canada are of little use in connection with cargo destined for South China through the intermediary of the Hongkong importer, since the identity of the original invoice is soon lost. It is in practice satisfactory to leave the negotiation of such documents to the purchaser in conjunction with the Chinese Maritime Customs.

Modus Vivendi between Canada and Haiti Extended

With reference to the notice in *Commercial Intelligence Journal* No. 1638 (June 22, 1935), page 1159, concerning a *modus vivendi* between Canada and Haiti extending exchange of most-favoured-nation treatment between the two countries for nine months from July 15, 1935, notice has been received that the *modus vivendi* has been further extended for one year from April 15, 1936, or until the entry into force of a trade agreement between Canada and Haiti, whichever is the earlier date.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 14

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending April 14, 1936, with the official bank rate. Quotations for the week ending April 6, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 6	Nominal Quotations in Montreal Week ending April 14	Official Bank Rate
Austria	Schilling	.1407	\$.1883	\$.1884	3½
Belgium	Belga	.1001	.1700	.1701	2
Bulgaria	Lev	.0072	.0128	.0129	6
Czechoslovakia	Krone	.0296	.0417	.0417	3
Denmark	Krone	.2680	.2222	.2218	3½
Finland	Markka	.0252	.0220	.0219	4
France	Franc	.0392	.0662	.0662	5
Germany	Reichsmark	.2382	.4047	.4047	4
Great Britain	Pound	4.8666	4.9750	4.9700	2
Greece	Drachma	.0130	.0094	.0094	7
Holland	Guilder	.4020	.6827	.6828	2½
Hungary	Pengo	.1749	.2963	.2963	4
Italy	Lira	.0526	.0795	.0794	5
Jugo-Slavia	Dinar	.0176	.0231	.0230	5
Norway	Krone	.2680	.2500	.2496	3½
Portugal	Escudo	.0442	.0452	.0450	5
Roumania	Leu	.0060	.0076	.0076	4½
Spain	Peseta	.1930	.1373	.1373	5
Sweden	Krona	.2680	.2565	.2562	2½
Switzerland	Franc	.1930	.3275	.3277	2½
United States	Dollar	1.0000	1.0043	1.0053	1½
Poland	Zloty	.1122	.1894	.1894	5
Argentina	Peso (Paper)	.4245	.3316	.3313	—
Brazil	Milreis (Paper)	.1196	.0861	.0861	—
Chile	Peso	.1217	.0510	.0513	4½
Colombia	Peso	.9733	.5740	.5745	4
Mexico	Peso	.4985	.2789	.2791	4-5
Peru	Sol	.2800	.2498	.2501	6
Venezuela	Bolivar	.1930	.2586	.2564	—
Uruguay	Peso	1.0342	.8000	.8017	—
China (Shanghai)	Dollar	.....	.2992	.2991	—
Cuba	Peso	1.0000	1.0034	1.0043	—
Hongkong	Dollar	.....	.3269	.3267	—
India	Rupee	.3650	.3757	.3750	3
Japan	Yen	.4985	.2904	.2901	3.29
Java	Guilder	.4020	.6863	.6861	4
Siam	Baht (Tical)	.4424	.4560	.4554	—
Straits Settlements	Dollar	.5678	.5834	.5822	—
South Africa	Pound	4.8666	4.9700	4.9637	—
British Guiana	Dollar	1.0138	1.0365	1.0350	—
Jamaica	Pound	4.8666	4.9850	4.9800	—
Other British West Indies	Dollar	1.0138	1.0365	1.0350	—
Martinique	Franc	.0392	.0662	.0662	—
Guadeloupe	Franc	.0392	.0662	.0662	—
Australia	Pound	4.8666	3.9800	3.9750	—
Egypt	Pound (100 Piastres)	4.9431	5.1025	5.0962	—
New Zealand	Pound	4.8666	4.0125	4.0075	—
Argentina	Free	Free	.2762	.2760	—
Brazil	Free	Free	.0572	.0573	—
Chile	Free	Free	.0412	.0412	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The outstanding feature in foreign exchange markets for the week ended April 11 was the gradual decline in the pound sterling, while the French franc remained firm. This marked the first appreciable divergence between the movements of these two currencies since the Franco-British loan was negotiated in February. In the event of franc devaluation, it was anticipated that repatriation from London would be heavy. The premium on the United States dollar at Montreal continued close to one-half of one per cent.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Victoria, B.C.
Vancouver, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Goods.....	212	Hamilton, Bermuda.....	Agency.
Canned Goods, Foodstuffs and Provisions.	213	Floriania, Malta.....	Purchase or Agency.
Onions.....	214	San Pedro de Macoris, Dominican Republic.	Agency.
Miscellaneous—			
Newsprint.....	215	Santo Domingo, Dominican Republic.	Agency.
Deck and Folding Chair and Garden Furniture Parts.	216	Bristol, England.....	Purchase.
Lumber.....	217	Hamilton, Bermuda.....	Agency.
Birch Lumber.....	218	Dublin, Irish Free State...	Purchase or Agency.
Pharmaceutical Products.....	219	Santo Domingo, Dominican Republic.	Agency.
Cotton and Jute Mattress Fillings	220	Hamilton, Bermuda.....	Purchase.
Sole Leather.....	221	Santo Domingo, Dominican Republic.	Agency.
Milk Bottle Sealers.....	222	Shanghai, China.....	Agency.
Bicarbonate of Soda.....	223	Santo Domingo, Dominican Republic.	Agency.
Calcium Carbide.....	224	Santo Domingo, Dominican Republic.	Agency.
Granite.....	225	Middlesborough, England.	Purchase.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

NEW STEAMSHIP SERVICE FROM MONTREAL TO MEDITERRANEAN PORTS

Elder Dempster Lines, Limited, agents for the Capo Line (Compagnia Genovese di Navigazione a Vapore), announce that arrangements have been made by their principals for a monthly service direct from Montreal to Barcelona, Marseilles, and Genoa beginning May 5. Steamers will also call at other Mediterranean ports as cargo offers.

Further information regarding this service is available on application to Elder Dempster Lines, Limited, 133 Board of Trade Building, Montreal.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, April 24; Duchess of Atholl, May 1; Duchess of York, May 8; Duchess of Richmond, May 15—all Canadian Pacific; Antonia, April 24; Andania, May 8—both Cunard-White Star Line.

To London.—Beaverbrae, April 24; Beaverhill, May 1; Beaverford, May 8; Beaverdale, May 15; Beaverburn, May 22—all Canadian Pacific; Ascania, April 24; Aurania, May 1; Ausonia, May 8; Alaunia, May 15—all Cunard-White Star Line.

To Manchester.—Manchester Regiment, April 30; Manchester Citizen, May 7; Manchester Port, May 14; Manchester Producer, May 21—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, May 5; Dakotian, May 25—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montclare, May 1; Montrose, May 15—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Boston City, Bristol City Line, May 16.

To Glasgow.—Athenia, May 1; Sulairia, May 8; Letitia, May 15; Airthria, May 22—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, April 30; Cairnesk (calls at Dundee), May 14—both Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head, Head Line, May 5 (cargo accepted for Londonderry and Cork).

To Aberdeen and Hull.—Kelso, May 2; Kyno, May 23—both Ellerman's Wilson Line.

To Antwerp and Havre.—Beaverhill, May 1; Beaverford, May 8; Beaverdale, May 15—all Canadian Pacific (do not call at Havre); Alaska, May 5; Grey County (does not call at Antwerp), May 15; Brant County (calls at Dunkirk but not at Havre), May 23—all County Line.

To Rotterdam.—Kings County, May 8; Grey County, May 15—both County Line.

To Hamburg.—Beaverbrae, April 24; Beaverburn, May 22—both Canadian Pacific; Hagen (calls at Bremen), Hamburg-America Line, May 15.

To Copenhagen, Gothenburg and Baltic Ports.—Stureholm, May 5; Korsholm, May 25—both Swedish-America-Mexico Line.

To Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa and Leghorn.—Nordhavet, Gardiaz Line, May 15.

To Marseilles and Genoa.—Inger, April 20; Sonja, May 16—both Canada-Mediterranean Line.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Lena, Capo Line, May 5.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., May 8.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., May 4 and 18.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, April 30; Colborne, May 14—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, April 29; Lady Rodney, May 13—both Canadian National.

To Kingston (Jamaica).—Cathcart, May 8; Cavalier, May 22—both Canadian National.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Conqueror, Canadian National, May 30.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—Canadian Planter, Canadian National, May 22.

To Yokohama, Kobe and Osaka.—Kano Maru, Kokusai Line, May 17.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Cochrane, Elder Dempster Lines Ltd., April 28.

To Santos and Buenos Aires.—Primerio (calls at Rio de Janeiro), April 25; a steamer, May 9—both International Freightage Corp.; Dagrun (calls at Montevideo but not at Santos), Canada-South America Line, May 2.

From Quebec

To Southampton.—Empress of Australia, Canadian Pacific, April 26.

From Halifax

To Liverpool.—Nova Scotia, Furness Line, May 9.

To London.—Capulin (calls at Dundee), American Hampton Roads, April 25.

To Manchester.—Manchester Division, Manchester Line, April 25.

To Aberdeen, Newcastle and Hull.—Trentino, Ellerman's Wilson Line, May 11.

To Cardiff, Bristol and Swansea.—Bristol City, Bristol City and Dominion Lines, April 22.

To Glasgow.—Airthria, Donaldson-Atlantic Line, April 20.

To Hamburg.—Capulin (calls at Hull and Leith), American Hampton Roads, April 25.

To Copenhagen, Gothenburg and Baltic Ports.—Svaneholm, Swedish-America-Mexico Line, April 21; Pilsudski (calls at Gdynia), Gdynia-America Line, May 19.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., April 20; Magnbild, G. T. Shaw, April 20; Fort Amherst, Furness-Red Cross Line, April 27; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., April 29; Nova Scotia (does not call at St. Pierre), Furness Line, May 9.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, April 23; Lady Drake, May 7; Lady Nelson, May 21—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Risanger, Ocean Dominion Line, May 6.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B., April 22; Ciss, May 6—both Pickford & Black Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, May 4; Colborne, May 18—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cavalier, April 23; Cathcart, May 11—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Chinese Prince, April 25; Silveryew, May 9; Javanese Prince, May 23—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Cruiser, Canadian National, April 30.

To Auckland, Wellington, Melbourne and Sydney.—Canadian Britisher, Canadian National, April 24.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Talissee, Java-New York Line, April 30.

From Saint John

To Manchester.—Manchester Division, Manchester Line, April 23.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, April 29; Lady Nelson, May 13—both Canadian National.

To Kingston and Jamaican Outports.—Harboe Jensen, United Fruit Line, April 24 and May 8.

To Cape Town, Port Elizabeth, East London and Durban.—A steamer, Elder Dempster Line, May.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras and Calcutta.—Cedarbank, American and Indian Line, April 28.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, May 2; Heian Maru, May 23—both Nippon Yusen Kaisha; Shiraha Maru (does not call at Kobe), Empire Shipping Co., May 15.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls Honolulu), May 2; Empress of Russia (calls Nagasaki), May 16; Empress of Japan (calls Honolulu), May 30—all Canadian Pacific; Ixion, May 3; Talthybius, May 31—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Bintang, April 30; Tosari, May 30—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Niagara, April 22; Aorangi, May 20—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, May 15; Golden Coast, June 15—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, Canadian-Australasian Line, May 20.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Innaren, Empire Shipping Co., May 15.

To London and Liverpool.—Devon City (calls at Cardiff), Reardon Smith Line, April 20.

To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer), Holland-America Line, April.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Amerika, April 27; Europa, May 28—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Diego, April 29; Washington, May 11—both Empire Shipping Co.

To Scandinavian Ports.—Axel Johnson, May 1; Balboa, May 4; Margaret Johnson, May 29—all Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Feltre, April 21; Rialto, May 18—both Empire Shipping Co.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Barrhill, Canadian Transport Co., April 23.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Siantar, May 7; Silverpalm, June 5—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Brandanger, May 6; Evanger, May 30—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Pacific Grove (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., April 26.

To Japanese Ports.—Ixion, Dodwell & Co., April 25.

To Chinese Ports.—Uffington Court, Ocean Shipping Co., April 25.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

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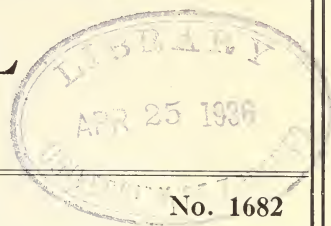
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COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, April 25, 1936

No. 1682



Section of the Canadian Exhibit at the Royal Netherlands
Industries Fair at Utrecht. (*See page 745*)

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THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE

JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, April 25, 1936

No. 1682

TENDERS FOR CONSTRUCTING NEW GRAIN ELEVATORS IN ARGENTINA

With reference to the report on "Argentine Grain Elevators" published in *Commercial Intelligence Journal* No. 1675 (March 7), the Canadian Trade Commissioner at Buenos Aires cables that tenders were invited by the Argentine Government on April 20 for the construction of the first instalment of six terminal grain elevators, the tenders to close on October 20. It is expected that tenders will be invited early in May for the construction of nine additional terminal and 321 country elevators.

The aggregate capacity of the new country and terminal elevators is approximately 42,000,000 and 22,000,000 bushels respectively. Complete plans and specifications, including a copy of the report as approved by the Argentine Government on which the present scheme is based, are available at a cost of 250 pesos, approximately \$67.50 Canadian.

The proposed new elevator system is to be completed within four years from the date construction begins.

TRADE AND ECONOMIC CONDITIONS IN BRITISH MALAYA, 1935

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values in Straits currency: S\$1 equals 58 cents Canadian approximately at present exchange. Quantities in tons of 2,240 pounds or in piculs of 133½ pounds)

Singapore, March 10, 1936.—There was a continued improvement in the economic condition of British Malaya during the year 1935, but it was on a much less spectacular scale than in 1934. The first quarter continued the rapid improvement experienced during the greater part of the previous year, but after March business was considerably quieter. Dealers were overstocked in most lines throughout the year and difficulty was experienced in booking new business. However, the state finances of the several Malayan governments are on a sound basis, and with the small increase in foreign trade the year might be characterized as one of quiet progress.

TRADE

The total foreign trade, including bullion, specie and parcel post, was \$1,062,912,000 (Canadian \$616,489,000) as compared with \$1,039,922,000 in the year 1934, an increase of about 3 per cent. Merchandise imports and

exports and total trade for the past three years and for the year 1929 for comparison are tabled below:—

Year	Imports Figures in	Exports 1,000 Straits	Total Trade Dollars
1929	\$800,225	\$921,792	\$1,802,017
1933	349,868	371,479	721,347
1934	460,465	543,996	1,004,461
1935	466,665	570,349	1,037,014

There was again a favourable trade balance of \$103,684,000, and it will be noted that merchandise exports increased by \$26,000,000 and imports by \$6,200,000. Total trade is still only about one-half of what it was in 1926, but it is admitted that those were abnormal times and the progress at present being made is considered more healthy. The prices for the country's main products—tin and rubber—are being controlled by international agreement and there is no desire to force them to uneconomic levels. Thus, the relatively normal price obtaining for these commodities reduces the income of the country and keeps the import trade at a lower level than in the boom years.

RUBBER AND TIN

This is particularly true in the case of rubber production, which was continually reduced while prices remained low during most of 1935. Lowered production reduces the number and wages of estate labourers and this always has a serious effect on the country's purchasing power. For in all these Middle East countries the increase in the buying power of the coolie labourer is the key to prosperity. Another factor in the reduction of income from the rubber industry is the sale of production coupons by small producers to larger estates. The smaller producers were thus in the position of requiring practically no labour and the larger estates were forced to reduce wages in order to compensate for the price of the coupons.

In the tin industry increased returns were largely sent out of the country in the form of dividends to shareholders.

A factor which has an effect on the entrepôt trade of Singapore is the policy of quotas on an increasing range of imported goods entering the Netherlands Indies. Where formerly these islands drew fair quantities of their supplies of piece-goods, hardware and other lines from Singapore dealers, business is now going direct to the suppliers as a result of government action. Japan in particular is selling direct to these islands and as a consequence her share of Malaya's import trade has been reduced. The high export tax on raw rubber from the Netherlands Indies is also having the effect of increasing the quantity of rubber milled in that country, and this has been a blow to the Singapore rubber factories.

GOVERNMENT FINANCE

The actual revenue of the Straits Settlements was almost \$35,000,000, which exceeds the estimate by almost \$3,500,000. Expenditures were \$35,750,000. The colony's balance sheet shows assets to the amount of \$71,000,000 in excess of liabilities, an increase of \$6,000,000 over 1934. The financial condition of the three ports comprising the Straits Settlements, viz:—Singapore, Penang and Malacca—is sound. In Singapore, the main port of the country, the municipal revenue exceeded the estimate by over \$400,000 and the expected surplus for the year 1935 is about \$100,000. The total of the surplus account is now over \$4,000,000.

Government revenue in the Federated Malay States for the eleven months ending November totalled \$56,451,000 and expenditure \$43,765,000. A surplus

of \$11,000,000 is estimated for the year, and the estimated accumulated surplus is over \$60,000,000. This Government proposes to create a reserve fund of \$35,000,00 to meet unexpected emergencies.

The State of Johore has the largest budget of any of the Unfederated Malay States. Revenue in 1935 was \$16,860,000 and expenditures \$18,182,000. The other Unfederated Malay States, with respective revenues and expenditures for the year under review, are as follows: Kedah, revenue \$6,491,138, expenditure \$5,317,787; Kelantan, revenue \$2,213,000, expenditure \$2,050,000; Trengganu, revenue \$2,200,000, expenditure \$2,025,700; Perlis, revenue \$531,020, expenditure \$529,901.

CURRENCY

The amount of paper currency increased slightly from \$76,000,000 in January to just under \$80,000,000 in December, 1935.

A new departure during the year was a service charge of \$10 a year on all current bank accounts with an average credit balance of under \$1,000. This had the effect of closing out a number of small "convenience" accounts.

PRICES AND WAGES

Rumours of war had an effect upon the cost of living. Prices and rents showed a decided upward tendency. House rents in Singapore were especially affected due to the continued increase in the number of married officers and the consequent housing shortage. A serious outbreak of rinderpest in Siam reduced the supply of cattle entering Malaya and contributed to the increase in food prices. The price of rice, the staple diet of the majority of the population, rose rapidly as a result of the war scare.

Salaries of office workers tended upward and the municipal governments restored all salary cuts. Coolie labour was plentiful and wages for this class were reduced.

CREDIT SITUATION

There were no unusual business failures during the year, although overtrading during the latter part of 1934 and the early part of 1935, and the falling off of sales during the latter part of last year, caught many dealers with heavy stocks and several were forced into bankruptcy. Canadian exporters are again warned not to enter into dealings with Chinese and Indian firms in this territory without first seeking the advice of the Canadian Trade Commissioner's office at Singapore. The large European merchant houses are for the most part in a thoroughly sound condition, although some of them suffered heavy losses due to the pepper crash in February and March.

INDUSTRIES

RUBBER

International Agreement.—The present restriction on rubber came into effect by international agreement between the main producers—viz: British Malaya, Netherlands India, British India (Ceylon), and French Indo-China—on June 1, 1934. It will not expire until December 31, 1938, and is subject to further extension if desirable. Under this agreement basic production quotas were allotted to each signatory country, the percentage of permissible exports being fixed from time to time by the International Rubber Regulation Committee.

Despite complaints from some quarters, the scheme is generally considered a success. The price of rubber in Singapore has been raised from an average

of 7 cents a pound in 1932 and 10 cents in 1933 to 21 cents in 1934 and 20 cents in 1935. While raising prices, those in control have been careful not to aspire to a level that will have the effect of antagonizing consumers, or encouraging the development of new rubber lands outside the signatory countries or a search for rubber substitutes. The only real problem for the rubber industry is the native producer of Netherlands India; the Netherlands Indies Government is still experiencing some difficulty in controlling this output, which constitutes 50 per cent of that territory's production.

During the first part of 1935 exportable tonnages were set at 75 per cent of the basic quotas. With the decline in price, in sympathy with the pepper crash in February, the percentage was reduced to 65 and during the last three months of the year to 60. Prices firmed during this last quarter and the percentage for the first months of 1936 is to remain at 60.

Production and Consumption.—Total shipments of rubber from all countries in 1935 are estimated at 875,000 tons. Consumption was 940,000 tons and stocks were ample. The estimated world production for 1936 at 60 per cent of the production quotas is 818,000 tons, and a consumption of at least 950,000 tons is anticipated. On this basis it is expected that world stocks by the end of 1936 will be reduced to about 400,000 tons, and this quantity is considered sufficient for four or five months' requirements. If and when that position is achieved, the goal of the international restriction scheme will have been reached, since that condition is considered to be close to normal for the rubber industry and prices should be fair for all concerned.

Singapore Market.—The market in Singapore was unsettled and prices were low during most of the year, although the year's average, as stated previously, was 20 cents a pound. A disturbing factor, in addition to the uncertainty caused by the international difficulties and war scares, and doubts of the ability of the Netherlands Indies to control their native producers, was the entrance of Japanese interests into the rubber trade on a more important scale than previously, especially with the United States. During the last few months of 1935 almost 50 per cent of the rubber going to that country was handled by Japanese companies and carried in the fast new ships of two Japanese lines.

Malayan Returns.—The total area planted with rubber in British Malaya is over 3,000,000 acres, of which 60 per cent is on estates of over 100 acres. The total area of tappable rubber on these estates in 1935 was 1,836,000 acres, and of this, owing to restriction, 23 per cent was not being tapped by the end of the year, against 13.5 per cent out of tapping at the end of 1934. Total shipments from Malaya, including re-exports, were 590,319 tons (\$259,094,000) against 677,208 tons (\$279,640,000) in 1934. Of the total shipped in 1935, the United States took 303,383 tons. The volume of total exports of rubber from Malaya declined by 13 per cent from 1934 and the value by 7 per cent. Total exports of domestically produced rubber were 406,337 tons in the year under review against 465,765 tons in 1934.

Malaya's basic quota for 1936 is 569,000 tons, and the exportable percentage for the first half of the year will be 60. Producers here are hoping for a better year than 1935, with reduced production and low prices, proved to be. Estate wages both for European and coolie staffs remained low and there is some discontent. However, the industry appears to be reconciled to the fact that the boom days for rubber are a thing of the past, and recognizes that hope for the future rests in the successful operation of the restriction scheme.

TIN

International Tin Committee.—The restriction on tin production at present in force came into effect first on March 1, 1931. It was renewed as from

January 1, 1934, for a further three years and will expire, unless extended, on December 31 this year. The signatories—Malaya, Bolivia, Netherlands India, and Nigeria—as in the case of rubber, accepted basic tonnage quotas of which the exportable percentages have been fixed by the International Tin Committee. To prevent unusual price fluctuations, the International Committee instituted the so-called Buffer Pool in 1934, to the stock of which, totalling 8,282 tons, all signatory countries contributed. This pool scheme was strongly criticized by Malayan producers, who welcomed the disposal of the stock in 1935 and the suggestion that it is no longer necessary.

In 1935 Malayan producers got more nearly what they desire than they expected under the restriction scheme. Being the country of lowest production costs, they have maintained that their interests would be best served by 100 per cent production at lower prices. Increased demand and consumption in 1935, due to improved business, especially in the motor industry, and to the rearmament that is taking place as a result of international troubles, made it possible for the production percentage of the basic quotas to be increased from 40 per cent at the beginning to 90 per cent at the close of the year. Stocks were drastically reduced. At the time of the imposition of sanctions against Italy stocks in England were sufficient for only a few days.

Considering the low stock position, it is somewhat surprising that prices did not rise. However, such a tendency was checked when the exportable percentage was more than doubled during the year. Despite criticism, the Buffer Pool provided an unexpected revenue of over \$6,000,000 to the Malayan industry.

Statistical Position.—The price of tin on the Singapore market was \$114.55 per picul in January and \$106.95 in December, 1935, with an average of \$110.86 for the year against an average of \$114.43 in 1934, \$99.96 in 1933, and \$69.75 in 1932. World production for the year was 138,000 tons and the consumption 142,000 tons against 109,000 tons and 118,000 tons respectively in 1934. British Malaya's exports of tin, including re-exports, were 62,248 tons (\$117,294,000) against 50,186 tons (\$96,724,000) in 1934. Exports of domestically produced tin were 42,327 tons against 37,786 tons in 1934.

Thus, the industry here is better satisfied with the restriction scheme than they were at this time last year. Greater production at lower prices and the abandonment of the Buffer Pool met with favour. Moreover, the most important event in 1935 for the Malayan industry was the visit of Mr. V. A. Lowinger, the Malayan Agent in London and representative of its tin industry on the International Committee. He conferred with the industry with a view to arriving at greater unanimity as to the basis on which British Malaya will agree to continuing the restriction scheme after December 31, 1936, and his visit appears to have removed the conviction of the local industry that they were unfairly dealt with when production quotas were first allotted.

With the production percentage for the year 1936 at 90 for the first quarter and 85 for the second, and the promise that it will be retained at a fairly high figure throughout most of the year, the Malayan industry anticipates the best year since the "boom" days. The only cause of anxiety is the attitude taken by the non-signatory tin-producing countries—Siam and Belgian Congo.

PINEAPPLE

Originally a catch-crop planted on rubber estates pending the maturity of the rubber trees, the production and canning of pineapple has become a major industry in British Malaya. Exports in 1935 totalled 73,923 tons (\$8,330,902) against 66,634 (\$7,027,000) in 1934. Prices on the Singapore market

at the beginning of the year were \$3.29 per case, and remained at a fairly satisfactory level throughout the year, closing in December at \$3.55 per case. The average for the year was \$3.46 against the yearly average in 1934 of \$3.10.

The principal factor influencing the marketing of canned pineapple in 1935 was the formation of the Pineapple Packers Agency, comprising all the packers of Malaya, all of whom are Chinese. Since the formation of this body in March, 1935, prices have been successfully controlled and price-cutting has stopped.

Pineapple Industry Ordinance.—The Pineapple Industry Ordinance came into operation in the Straits Settlements, Johore (Unf.M.S.), and Selangor (F.M.S.) on October 1, 1934. Under this ordinance all factories must be registered, and to qualify for registration certain minimum requirements with respect to lay-out, water supply and sanitation, drawn up by the health authorities, must be adhered to. As a result the reconstruction of many factories has been required, and it is expected that this work will be completed during 1936. The produce of each factory bears a distinctive registered mark, rendering possible the tracing of faulty packs.

Committees composed of government officials, packers, and representatives of the European export firms, advise the authorities concerning the desirability of all regulations affecting the industry. Experimental work is being conducted in Singapore at a station which is jointly supported by all the governments concerned.

It is believed that it should now be possible to dispense with the Canadian White List of Malayan pineapple packers, since registration and permission to pack for export is given only to those factories where satisfactory conditions are maintained.

VEGETABLE OILS

The condition in this industry improved considerably during 1935 as the result of voluntary limitation of output. The price of coconut oil on the Singapore market rose from \$8.50 in January to \$10 per picul in December. The yearly average was \$8.71 against \$4.94 in 1934, \$7.33 in 1933, and \$10.04 in 1932. The price of copra rose from \$4.26 in January to \$5.45 in December with a yearly average of \$4.52. The yearly averages for copra in the years 1934, 1933, and 1932 respectively were \$2.93, \$3.90, and \$5.74 per picul. The price of palm oil was \$83.51 per ton in January and \$146.58 in December. The yearly average was \$133.72 against the averages in the previous three years of \$90.82, \$114.87 and \$144.14 respectively.

PEPPER

The manipulators on the London Produce Exchange had increased the price of black pepper to \$20.63 per picul on the Singapore market in January, 1935, and the price of white pepper to \$61.83. The yearly average price for black pepper in 1934 was \$16.57, in 1933 \$14.69, and in 1932 \$20.44. The yearly average price for white pepper in 1934 was \$40.18, in 1933 \$23.02, and in 1932 \$26.16. The crash came during February, 1935, and with the exposure of the irregular practices which had been taking place the price of both grades of pepper suffered a precipitous decline. Black pepper closed in December, 1935, at a price of \$9.19 with a yearly average of \$12.65. White pepper closed the year at \$16.65 with a yearly average of \$26.80. During the period in which dealings in this commodity were subject to manipulation, production was encouraged and it can only be expected now that prices will remain at a low level.

RICE

The efforts of the local agricultural authorities to render British Malaya more self-sufficient in her rice requirements received little reward in the year

1935. Total imports were 654,844 tons (\$40,000,000) against 619,000 tons (\$33,000,000) in 1934. Exports of rice totalled 184,000 tons (\$11,000,000) against 166,000 tons (\$8,610,000) in 1934. Net imports in 1935 were therefore 470,384 tons as compared with 453,000 tons in 1934. These figures indicate, however, that the domestic production is at least being maintained. The average price of No. 2 Siam rice for the year on the Singapore market was \$67 per ton against \$49 in 1934, \$59 in 1933, and \$67 in 1932.

MISCELLANEOUS PRODUCE

The prices for other local products—viz. arecanuts, sago, tapioca, dammar, gambier and rattans—increased in every case during 1935.

The general average of export commodity prices for the year 1935 was 64 against 63.5 for the year 1934, 45.2 for the year 1933, and 37.4 for the year 1932 (base year 1929). The attainment of a higher general average was rendered impossible by the collapse of the pepper market and the slight reduction in the price of tin.

LABOUR SITUATION

Complaints of the insufficiency of the coolie labour supply which were heard from certain quarters during the year 1934 died out in the year under review. With restriction on the output of the two major commodities, the labour supply is now more than sufficient and wages have been cut. Total net arrivals of Chinese, Javanese and Southern Indian coolies in 1935 was 103,990 against 102,524 in 1934.

There were still a number of unemployed or partially-employed Europeans in the country during 1935 and some assistance from charitable organizations was required. The Immigration Department took steps for the first time to check the entry of Europeans in search of employment.

TRANSPORTATION AND COMMUNICATION

Weekly air mail and passenger services were maintained between Malaya and Europe by the Imperial Airways and the Royal Dutch Airways. The time required to make this journey is being steadily reduced by both services, and especially by the Dutch, who announced recently that they intend to inaugurate a service which will operate regularly from Batavia to Amsterdam via Singapore in 3½ days—48 hours actual flying time.

Canadian exporters should not forget the air mail services in communicating with the Trade Commissioners' offices at Singapore and Batavia. Frequent use of the air mails renders telegrams unnecessary and it is possible now to send a letter from Singapore to Canada or vice versa in 17 days or less. Envelopes should be carefully superscribed, in the case of British Malaya and Siam, "Via England/Imperial Airways" or "Via Holland/Royal Dutch Airways."

It was reported recently that Dutch interests will inaugurate a zeppelin service to the Far East during the year 1936.

The Imperial Airways are expecting to start an air mail service from Malaya to Hongkong as an extension to their present routes.

Certain local companies in Malaya are studying the possibilities of an internal air link between the principal Malayan cities—viz: Singapore, Kuala Lumpur, and Penang.

A radio-telephone service to Bangkok was opened in September. Similar services to Java and the Philippine Islands were already in operation.

The British Malaya Broadcasting Corporation was organized and sold its stock during the year. The station is in the course of construction and broadcasts are expected to commence in the near future.

The Federated Malay States Government Railways, which operate all lines in British Malaya, again improved their position although, as in all other countries, they are meeting with serious competition from road transport. While revenue is up it is still insufficient to take care of necessary improvements.

SHIPPING

The total tonnage of merchant vessels of over 75 tons net register that entered Malayan ports with cargo during 1935 was 15,052,000 against 14,850,000 in 1934. Vessels clearing with cargo totalled 14,704,000 tons against 14,610,000 tons in 1934. The tonnage of vessels of this size entering Malayan ports in ballast during the year was 190,000 tons and clearing 622,000 tons. British ships predominated with 33 per cent of the total, followed by Dutch with 23 per cent and Japanese with 18 per cent. Of the balance the chief nationalities were Norwegian, French, German, Italian, Danish, American, and Swedish in order of importance.

CONSTRUCTION

There was something approaching a "boom" in building activity in Malaya during the year, especially in Singapore, where many new homes and office buildings have been and are being erected and considerable improvement in office buildings took place. The heaviest building program is being carried out under the Imperial Defence plans and the local government is also engaged in construction of the same character. Prices of materials were high. Despite the building activity, the influx of defence personnel caused private dwellings to be at a premium and rents tended upward.

The £30,000,000 seven-year building program of defence for Singapore Island, which includes the construction of a powerful Naval Base, will soon be completed. Work was commenced during the year on the Singapore Harbour Board's expansion program, which will add 25 per cent to the present docking facilities. The new \$6,500,000 Civil Aerodrome in Singapore is expected to be completed by the middle of 1936. Plans for the new \$1,500,000 Supreme Court Building in Singapore will soon be ready. The new Singapore sewerage system, to be constructed at a cost of \$5,000,000, is progressing.

Other municipalities are carrying out similar though less costly construction.

EXPORTS

Total merchandise exports for 1935, as tabled in an earlier part of this report, were \$570,349,000 (Can.\$328,802,000), an increase of 4.7 per cent over 1934. The following table summarizes the principal exports from British Malaya during the past three years, with the quantities and values shipped to Canada shown in cases where this information is available.

Summary of the Principal Exports of British Malaya

		Tons	Straits \$
Arecanuts	1935	64,785	6,702,314
	1934	65,899	5,473,078
	1933	55,279	4,349,665
Cocoanut oil	1935	36,387	4,917,954
	Canada	75	9,304
	1934	25,798	2,355,042
Coproa ¹	1933	18,637	2,519,979
	1935	217,330	16,855,755
	1934	190,233	9,980,130
Cotton piece-goods ¹	1933	210,585	14,879,551
	1935	43,220,278 ²	4,330,545
	1934	50,432,232 ²	5,167,279
	1933	48,850,433 ²	4,959,613

Summary of the Principal Exports of British Malaya—Concluded

	Tons	Straits \$
Fish, dried and salted ¹ 1935	46,004	6,493,691
Canada		32
1934	50,000	7,268,782
1933	46,692	7,362,104
Gum dammar ¹ 1935	9,779	1,261,553
Canada	241	40,530
1934	7,838	983,435
1933	7,623	890,148
Palm oil 1935	24,746	3,308,929
Canada	10,199	1,370,537
1934	15,979	1,378,475
1933	12,381	1,399,130
Pepper (black, long and white) ¹ 1935	22,316	12,267,935
Canada	43	14,638
1934	20,114	11,156,033
1933	15,954	5,588,639
Pineapples, preserved 1935	73,923	8,330,902
Canada	8,890	1,100,148
1934	66,634	7,027,041
1933	59,582	6,285,456
Rattans ¹ 1935	12,544	1,968,194
Canada	20	3,371
1934	11,304	1,737,937
1933	11,323	1,729,714
Rice ¹ 1935	184,460	11,060,993
Canada	4	292
1934	165,968	8,609,566
1933	158,944	9,440,551
Rubber 1935	590,319	259,094,030
Canada	17,235	7,401,112
1934	677,208	279,639,826
1933	573,412	122,439,683
Sago ¹ 1935	69,606	3,432,376
Canada	782	38,857
1934	57,232	2,389,978
1933	66,157	2,707,312
Tapioca ¹ 1935	24,256	2,157,032
Canada	333	35,983
1934	26,825	2,406,735
1933	31,919	2,448,164
Tin 1935	62,248	117,294,052
Canada	930	1,739,561
1934	50,186	96,724,271
1933	53,931	88,716,233

¹ Chiefly re-exports. ² Yards.

PRINCIPAL DESTINATIONS

The principal destinations of merchandise exports during the past three years are tabled below, and it will be noted that the United States is by far Malaya's best customer.

	1933	1934	1935
	Figures in Thousands of Straits Dollars		
United Kingdom	35,314	91,644	87,713
British possessions	50,190	66,793	81,187
Continent of Europe	65,086	87,834	74,420
United States	125,269	188,555	213,588
Japan	35,131	51,381	52,685
Netherlands India	33,884	30,225	33,500
Other countries	26,605	27,559	27,256
Total	371,479	543,991	570,349

The figures of the total exports to Canada are not yet available in local statistics, but according to the returns of the Dominion Bureau of Statistics, Canada's purchases from Malaya for the year 1935 totalled \$6,637,000, an increase of 616.7 per cent over 1933 and 209.7 per cent over 1934.

IMPORTS

Imports in 1935 totalled \$466,665,000 (Can.\$270,666,000), an increase of 1.5 per cent over 1934. The principal sources with imports from each for the past three years are tabled hereunder:—

	1933	1934	1935
	Figures in Thousands of Straits Dollars		
United Kingdom	50,561	67,063	75,099
British possessions	62,214	69,781	79,906
Continent of Europe	16,730	19,908	22,532
United States	5,568	8,256	9,103
Japan	26,590	37,496	30,413
Netherlands India	110,415	159,663	147,829
Other countries	77,790	98,298	101,784
Total	349,868	460,465	466,665

It will be noted that Netherlands India is still the main source of supply, followed by the United Kingdom and Japan, although the latter's share is somewhat reduced from 1934 as a result of the quota system on textile imports and the loss by Straits Settlements ports of a considerable volume of entrepôt trade with surrounding countries, especially Netherlands India (see above under "Trade").

IMPORTS OF MOTOR VEHICLES

Canada's largest export to British Malaya is motor vehicles, and the following tables reveal that shipments of Canadian passenger cars more than doubled and commercial vehicles increased by two-and-a-half times in the year under review:—

Passenger Cars

	1929	1933	1934	1935
United Kingdom	2,001	1,158	2,701	3,947
British possessions (mainly Canada)	792	193	507	1,079
Europe	992	47	300	479
United States	1,883	33	170	233
Others	83	88	94	117
Total	5,751	1,519	3,772	5,855
Value in 1,000 Straits dollars	9,052	1,865	4,680	7,059

Commercial Vehicles

	1929	1933	1934	1935
United Kingdom	206	133	558	554
British possessions (mainly Canada)	620	121	548	1,347
Europe	2	4	33	130
United States	825	8	160	151
Others	5	1	5	12
Total	1,658	267	1,304	2,194
Value in 1,000 Straits dollars	2,415	285	1,563	2,367

TEXTILES

The regulation of the imports of textiles by quotas operated satisfactorily and to the benefit of United Kingdom suppliers during 1935. Japanese imports were the most seriously affected. Imports from that country were reduced by 10,000,000 yards to make up for the over-importation during the period prior to the enforcement of the quota system in 1934. Japanese suppliers will be allowed their full quota of roughly 35,000,000 yards in 1936.

CANADA'S SHARE

The statistics available locally at the time of writing are not sufficiently complete to establish the position occupied by Canada in the import trade of

Malaya during the year under review. However, Dominion Bureau of Statistics figures show total exports to Malaya in 1935 of \$1,527,000, an increase of 212·9 per cent over 1933 and of 18·7 per cent over 1934. Fuller particulars, with comments on the market for products in which Canadian exporters are interested, will be published in a later issue of the *Commercial Intelligence Journal*.

CONCLUSION

By comparison with the rate of recovery in other Eastern countries, Malaya's has been rapid. The country was among the last to feel the depression and among the first to begin the return to prosperity. The year 1934 saw the turn and, although the rate was slower in 1935, recovery was continued. The future prosperity of the country depends entirely on conditions in Europe and North America, especially the latter, where over half of Malaya's tin and rubber is sold. Prosperity in the import trade and general business depends even more upon rubber, which constitutes between 45 and 50 per cent of the value of the country's total exports, than upon tin, the exports of which are about 20 per cent of the total. Firmer rubber prices in the last quarter of 1935 produced a general improvement in sales and internal trade. This improvement is still in evidence at the time of writing, although there is some uncertainty, as elsewhere, on account of the growing fear of an outbreak of hostilities in Europe or the Far East.

DRIED PEAS IN THE LONDON MARKET

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, April 1, 1936.—Importations of dried peas into the United Kingdom in recent years have amounted to more than 75,000 English tons valued at over \$5,000,000 a year. While Canadian producers may not be able to supply more than a small part of this total, a good increase should be possible over the few hundred tons which are coming forward at the present time. Concentration on specific types would appear advisable, and it is suggested that the Blue pea for canning offers the best opportunity. Blue peas were imported from Canada about twenty years ago and were found quite satisfactory both in colour and cooking qualities.

TYPES AND USES

BLUE AND MARROWFAT

The Blue pea in demand is small and smooth-skinned, while the Marrowfat is large and wrinkled; the latter is claimed to have the better flavour. The Imperial Blue is large but smooth; it is not relatively important in the business. Both Blue and Marrowfat must be of bright even colour and free from the hard white peas which have ripened in the pod and are not only less appetizing but cause an uneven cook. The small Blue has the larger consumption and finds its greatest outlet in canning. The Marrowfat is more generally prepared in the home; it is sold by retailers in packets containing the requisite amount of baking soda and sometimes a net or bag in which the vegetable can be cooked with less mashing. It might be noted that the time factor in cooking is of importance. After soaking overnight, the Blues and Marrowfats should require not more than half an hour of boiling with a small addition of baking soda.

Japanese hand-picked Marrowfats are very popular, especially in the Midlands and North of England, because they do not disintegrate when reheated. Dutch Marrowfats find their best sale in the South of England, where reheating

is not so common a practice. Blue peas from Wisconsin and Michigan are known and liked in this market, although they have not been sold here in recent years; one of the best-known types is the "Idabell."

WHITE PEAS

White peas are used for splitting and for grinding. After splitting they are graded as No. 1 Pearl split, No. 2, and No. 3, according to size, cleanliness, and freedom from chips, worm, etc. They should have only a slight polish. The No. 1 and No. 3 grades obtain the largest sale. White Victorias are a particular type of white pea which is well liked; No. 1 Pearl splits are always White Victorias. London mills handle a large part of this trade and import direct from Poland and also from Germany and Russia.

MAPLE OR PIGEON, AND DUN PEAS

The Maple pea is of a mottled brown colour and derives its alternative name from the fact that it is a popular feedstuff for pigeons. The variety grown in Tasmania is one of the hardest and for this reason is in favour as a food for racing pigeons.

While somewhat similar to the Maple pea, the Dun is not the same; it is used as a feedstuff and is also ground for peameal. Pea flour is ground from Victorias.

The greater part of the domestic production of peas naturally goes to the fresh pea market, but there is also a fair proportion directed to the dried pea market; the small Blue is the most important variety. The growth of peas has been assisted and stimulated by the Government and a method of preserving the natural colour has been developed whereby the seed when cooked has a close resemblance to fresh peas.

IMPORTS INTO THE UNITED KINGDOM

The statistics of importations into the United Kingdom give a general idea of the total amounts imported in recent years. Split peas totalled 87,000 cwts. (£75,000) in 1930, 58,000 cwts. (£41,000) in 1933, and 48,000 cwts. (£35,000) in 1934, and were supplied mainly by Germany and Holland. The importations of "peas, other than split, not fresh," were as follows; the quantities are given in thousands of English hundredweight (112 pounds) and values in thousands of pounds sterling:—

Imports into the United Kingdom of Peas, Other than Split, not Fresh

	1930		1933		1934	
	Cwts.	£	Cwts.	£	Cwts.	£
	Figures in Thousands					
Total	1,273	964	1,525	1,282	1,542	1,094
Total British countries.	250	169	510	307	475	249
India.	115	65	201	84	207	83
Australia	43	29	175	118	101	54
New Zealand	87	65	125	94	162	105
Canada	5	8	10	10	6	7
Total foreign countries.	1,023	796	1,014	975	1,067	845
Russia	88	28	31	9	12	4
Poland, including Danzig	27	12	39	22	7	4
Germany	78	45	16	17	6	6
Holland.	370	325	334	362	329	290
Belgium.	5	3	15	13	21	14
Hungary	56	73	107	138	58	71
Morocco.	12	14	22	20	23	19
Japan	348	275	374	348	528	396

To obtain the statistics of net consumption of imported dried peas, the re-exports of imported peas must be deducted. Re-exports of split peas amounted to 4,000 cwts. (£3,000) in 1930, 2,000 cwts. (£2,000) in 1933, and about 1,000 cwts. (£1,000) in 1934, while re-exports of peas, not fresh, other

than split, totalled 18,000 cwts. (£21,000) in 1930, 18,000 cwts. (£25,000) in 1933, and 59,000 cwts. (£61,000) in 1934.

As the statistics of importation make no differentiation among the various types of dried peas shipped from each country, the following notes may be useful. India ships mainly No. 3 Whites of varying quality. Australia's supplies are principally from Tasmania and consist mainly of Maples, but also of Blues. New Zealand provides Maples, and also Whites and Blues. Russia sells small White peas which contrast with the Victorias. Poland and Danzig supply most of the White Victorias. Germany, as previously noted, is the principal source of split peas, but also ships fair quantities of Whites, usually Victorias. In addition to split peas, Holland supplies Marrowfats and Blues, including Imperials; they are of good quality and bright colour. Belgium is principally a re-exporter of German and Dutch produce. Hungary sells very small Blues and also Whites, but the supply is irregular. Morocco is a source of White peas. Japan provides Marrowfats of good quality; they are graded with extreme care, and all peas at all off-standard are removed. Some No. 3 White peas also come from China, and Chile exports Whites and Blues.

METHODS OF BUSINESS

Sales are always based on samples. The Canadian exporter must provide his agent with samples in bags of about 2 pounds. These should be sealed and preferably in pairs, so that one may be opened for display to the purchaser and the other remain sealed pending arrival of the merchandise. If the purchaser should be dissatisfied with the shipment, the sealed sample becomes the basis of any arbitration proceedings. Arbitration must take place in London and is usually under the auspices of the London Corn Trade Association. Produce described as hand-picked must be hand-picked and contain no extraneous material and very little broken seed.

Quotations must be on an English basis: pounds sterling per English ton (2,240 pounds) or cwt. (112 pounds) and c.i.f. English port.

Terms are by arrangement, but a common usage when business is first undertaken is 90 per cent sight documents and the balance after acceptance of the goods. After the business is established cash against documents can be obtained.

Packing must be in good-quality jute bags containing one English hundred-weight (112 pounds) each. India Whites, Maples, and Duns are often quoted and shipped in bags of 504 pounds, but bags of 112 pounds are satisfactory, and quotations per 112 pounds are desirable.

CANADIAN DRIED PEAS

As previously noted, Canadian dried peas were known in this market prior to the war; at that time they were liked and found fair sale. Efforts since that time to place the Canadian product here have met with objections which prevented sales on any scale of importance. The chief objections are that the general appearance and boiling qualities of the Blues are not considered as good as those of the English- and Dutch-grown. The White peas have usually been too expensive to sell to the millers for splitting. One serious difficulty encountered was the failure to ship according to sample; the quality was not maintained and there was too much variation in size and colour.

In spite of these difficulties there are definitely opportunities for Canadian dried peas which can fulfil the requirements of the buyers. Prices fluctuate irregularly, and there would be little point in giving the present quotations. Interested exporters should submit samples and quotations in pounds sterling to the Canadian Trade Commissioner, who will place them before prospective purchasers and advise of the outcome.

CANADIAN TRADE WITH SOUTH WALES

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, April 7, 1936.—Without exception, the docks of South Wales ports are operated by the Great Western Railway Company, and accurate statistics of the movement of merchandise are available. These reflect the condition of the industries of the principal area served by the ports—South Wales and the Midlands. Through the courtesy of the docks officials the statistics have been made available earlier than usual.

SOUTH WALES IMPORT TRADE

For the third year in succession imports into South Wales have increased compared with the preceding year. The total for 1935 was 3,676,374 tons as compared with 3,580,822 tons in 1934 and 3,316,079 tons in 1933.

Among the imports there was an increase in iron ore from 639,987 tons in 1934 to 657,632 tons; in oil from 467,259 tons to 505,894 tons; and in zinc dross and concentrates from 31 to 10,288 tons.

Imports of copper and other ores increased from 80,243 tons to 87,750 tons, although the amount credited to Canada declined from 28,996 to 22,490 tons. A notable increase occurred in the imports of iron and steel, including pig iron, billets, bars, etc. Imports amounted to 470,899 tons compared with 392,703 tons in 1934 and 299,890 tons in 1933. This indicates in part the development in the domestic consumption of iron and steel products, but it particularly reflects the inability of domestic manufacturers to produce the volume of the classes of goods demanded by an increasing domestic industrial output. Imports from Canada amounted to 41,992 tons; in 1934 they were not sufficiently large to obtain separate entry in the returns.

Timber and deals imports into South Wales during 1935 were smaller than in 1934 but larger than in 1933. Of the 243,670 tons imported, 28,072 tons were received from Canada as compared with 30,896 tons during 1934 out of a total of 302,451 tons. To meet the requirements of the numerous and extensive coal mines in South Wales, a large volume of pitwood and mining timber annually is imported; this amounted to 666,907 tons as compared with 615,391 tons in 1934 and 573,592 tons in 1933. None of the mining timber used in South Wales is of Canadian origin.

In 1935, 575 tons of Canadian hay were imported (for pit ponies) compared with 518 tons in 1934. There has been a great abundance of local hay in recent years, with the result that prices have been so low that Canadian hay has barely been able to compete.

During 1935 the total imports of grain and flour declined to 443,398 tons compared with 489,688 tons in 1934; shipments from Canada fell from 83,065 tons to 61,531 tons.

Total imports of cheese into South Wales amounted to 14,876 tons, of which only 1,074 tons came from Canada (1,132 tons in 1934).

The fact that supplies are drawn from other ports affects the imports of such products as canned goods and fresh apples. However, there was a gratifying increase in the direct imports of canned goods, although Canada's share is still small. The total amounted to 14,876 tons, of which 1,601 tons came from Canada (1,185 tons in 1934). Imports of fresh apples amounted to 20,075 tons, including 10,301 tons of cider apples. Canada's share totalled 5,079 tons, almost the same quantity as in 1934. Imports of evaporated milk from the Dominion amounted to 34 tons compared with 22 tons in the preceding year.

In 1934 a total of 6,336 head of cattle from Canada passed through the lairs at Cardiff, but no shipments were received during 1935. There are indications of a slight revival during the present year.

SOUTH WALES EXPORT TRADE

Exports of goods of all kinds through the South Wales docks in 1935 aggregated 21,206,944 tons as compared with 21,718,287 tons in 1934 and 21,614,825 tons in 1933. Of these exports, 1,394,874 tons in 1935 and 1,416,761 tons in 1934 were consigned to Canada.

Coal naturally bulks large in the shipments to the Dominion, amounting in 1935 to 1,277,943 tons as compared with 1,304,668 tons in 1934. Exports of tin-plates, black plates, and galvanized plates totalled 504,707 tons as compared with 423,623 tons in 1934. Of the 1935 exports, 107,034 tons were shipped to Canada (90,355 tons in 1934). During 1935 a total of 25,928 tons of steel tubes were exported, of which 1,483 tons went to Canada as compared with 3,981 tons in 1934. Of the 6,212 tons of steel sheets exported in 1935, over half, or 3,746 tons, were shipped to the Dominion as compared with 2,909 tons in the previous year.

WHEAT, FLOUR, AND BARLEY PRICES IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

WHEAT

Glasgow, April 9, 1936.—For the first three months of this year the total imports of wheat into Glasgow and Leith, the only ports concerned, amounted to 1,308,100 cwts. (of 112 pounds) as compared with 1,341,800 in the same period of 1935 and 987,400 in 1934.

Canada's share of the trade, at 697,900 cwts., was 53 per cent, compared with 771,300 cwts. or 58 per cent in 1935, and 489,000 cwts. or 49 per cent in 1934.

During the quarter Australia shipped to these two ports 508,700 cwts. or 38 per cent, as compared with 325,400 cwts. or 24 per cent in 1935, and 404,700 or 41 per cent in 1934.

Argentina's contribution during the quarter was much smaller than usual, the figure being 9,900 cwts. or less than 1 per cent, as compared with 92,900 cwts. or 7 per cent in 1935, and 54,100 cwts. or 5 per cent in 1934.

France, at 57,200 cwts. or 4 per cent, it will be observed, was a more important shipper than Argentina.

FLOUR

The ports of Dundee and Aberdeen are important points of discharge for Canadian flour, but statistics showing the quantities and countries of origin are not available. Glasgow on the west coast, however, and Leith on the east, are the most important in this connection, and figures showing the position at these two ports will indicate the trend of the trade for Scotland as a whole.

During the first three months of the year the total imports of flour at Glasgow and Leith, excluding coast and rail shipments from England, amounted to 668,035 cwts., as compared with 481,850 in the corresponding period of 1935, 486,350 in 1934, 544,126 in 1933, and 679,504 in 1932.

Canada's share of the trade was 328,350 cwts. or 49 per cent, as compared with 355,099 cwts. or 73 per cent in 1935, 309,592 or 63 per cent in 1934, 264,380 or 48 per cent in 1933, and 214,031 or 31 per cent in 1932.

During the quarter Australia improved her position in the Scottish market as compared with the corresponding periods of the last two years. The shipments were 356,365 cwts. or 27 per cent of the whole, compared with 105,535 cwts. or 21 per cent in 1935, 112,157 cwts. or 23 per cent in 1934, 225,146 cwts. or 41 per cent in 1933, and 350,022 cwts. or 51 per cent in 1932.

During the quarter coastwise and rail shipments from England to Glasgow and Leith amounted to 131,660 cwts. compared with 145,000 in 1935, 150,000 in 1934, and 147,000 in the corresponding period of 1933. As usual, over 80 per cent of these shipments from England were discharged at Glasgow.

BARLEY

Of the 428,077 cwts. of barley shipped from abroad to Glasgow and Leith during the first quarter of this year, the United States was the source of supply of 166,057 cwts. or 38 per cent, Mediterranean and Black Sea ports 101,975 cwts. or 23 per cent, Canada 71,828 cwts. or 16 per cent, and Australia 40,882 cwts. or 9 per cent. Germany, Danzig, and Lithuania were other sources of supply.

AN EMPIRE TANNING MATERIAL

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, March 26, 1936.—For centuries animal skins, in the process of being converted into leather, have been treated with an extract made from the barks of various trees. The essential component of barks used for this purpose is tannin, a chemical which acts on raw hides to make them strong, flexible, waterproof in varying degrees, and resistant to decay and wear.

Tannin is found very widely distributed in plant life, but is more highly concentrated in certain trees, especially in the bark, such as oak, hemlock, wattle, mimosa, quebracho, and mangrove. As indigenous sources of supply in industrial countries have become scarce, increasing use has been made of extracts made from quebracho and mangrove and containing tannin in a highly concentrated form.

Mangrove extract may be of particular interest to Canadian tanners for two reasons: (1) mangrove forests, it is believed, constitute the greatest single source for future supplies of tannin; and (2) it can be obtained within the Empire.

PROPERTIES AND USES OF MANGROVE EXTRACT

The bark of the mangrove tree contains from 15 to 40 per cent tannin of the class known as "catechol"; the extract may contain as much as 70 per cent tannin.

Mangrove extract is especially rich in lactic acid, and is used in combination with other extracts to counteract the deficiency in this important acid which is characteristic of other extracts.

It is seldom used by itself, as it is reputed to impart an undesirable colour when so used. For example, French tanners commonly use it in the following mixture: one-third mangrove, two-fifths hemlock, remainder oak or mimosa.

SOURCES OF SUPPLY

Mangrove extract is obtainable from Portuguese East Africa, Madagascar, Venezuela, Colombia, and the East Indies. It is in the last-named territory that Empire supplies are found. A Glasgow company are concessionaires over all the mangrove forests in British North Borneo, where they have very large reserves of raw material.

This Scottish company produces in Borneo a natural extract containing about 60 per cent tannin and guaranteed free from adulterants. The extract is shipped in solid form in wooden cases of 112 pounds net weight. Each case contains one block of 112 pounds, four quarter blocks of 28 pounds each, or twelve cakes of 9½ pounds each.

The name and address of the company above referred to is available on application to the Department of Trade and Commerce, Ottawa.

CONDITIONS IN THE IRISH FREE STATE IN 1935

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

AGRICULTURE

Dublin, March 20, 1936.—Despite the active efforts of the Government to effect a change, Ireland is still primarily a pastoral country, about 90 per cent of the land area (15,600,000 acres) being devoted to agricultural purposes. In common with most other countries, it has been passing through a period of acute depression owing to the low prices of live stock and agricultural products during the past few years. As far as the Irish Free State is concerned, the situation has been further aggravated by the high tariffs on Irish agricultural products entering the United Kingdom.

WHEAT

In 1850 the acreage under wheat in Ireland was 740,000 (671,448 acres in the area now included in the Irish Free State). By 1932, however, the wheat acreage in the Free State was only 20,000. During the past three years the Government have instituted a vigorous "Grow More Wheat" campaign which has met with considerable success. For the years 1933, 1934 and 1935, the acreage under wheat was respectively 50,000, 94,000 and 163,000. In 1936 it is expected to exceed 200,000 acres. As, however, the estimated requirements of the country could only be met by from 600,000 to 750,000 acres, there is ample scope for extension before the nation is entirely self-supporting.

As domestic production increases, the millers are required to use an increased quantity of native wheat. The amount of Irish-grown wheat, compared with total wheat, used by millers in the Free State, has increased each year from 1932, when it was 4 per cent, up to 25 per cent last year. As an inducement to the grower, the Government guarantee an assured market and a fixed price of 26s. per barrel for wheat of standard quality. Details of wheat imports are not available for 1935. In 1934, however, nearly 10,000,000 cwts. were imported, mainly from Australia, the United States, and Canada. Imports from Canada increased by approximately 25 per cent in 1935 to a total of 2,300,000 cwts.

OATS

Oats occupy practically 50 per cent of all land devoted to crops in the Irish Free State, but the actual acreage has declined from 1,500,000 acres in 1850 in the whole of Ireland to 580,000 in 1934, increasing to 614,000 in 1935. About 75 per cent of the oats produced in the Saorstat is fed to live stock. Importation of oats, except under licence, was prohibited in May, 1933.

BARLEY

The area under barley in 1935 was approximately 139,000 acres, a slight decrease from 1934. Roughly two-thirds of the barley grown in the Free State is purchased by malting establishments. Imports of barley are prohibited except under licence and have declined from 450,000 cwts. in 1931 to 130,000 in 1934.

The Government required during 1935 that all licensed maize millers in the Free State use 33½ per cent by weight of home-grown cereals in all maize meal mixtures. In November, 1935, due to a local surplus of oats and barley, the percentage was increased to 50.

ROOT CROPS

Potatoes.—The total area under potatoes was approximately 343,000 acres in 1934; in 1935 the figure was 336,000. The present production of potatoes in Ireland approaches 2,000,000 tons per annum, equivalent to 13 cwts. per head of population. Imports of potatoes were prohibited, save under licence, early in 1933, and have now ceased.

Sugar Beet.—The success of the first sugar beet factory, erected in 1926, has led to the establishment of three additional beet factories in the Saorstát. In 1934 45,500 acres of sugar beet were planted and 485,000 tons of beet were put through the four factories, producing over 66,000 tons of sugar—approximately 75 per cent of the country's requirements. For the coming season contracts have been entered into with the growers for 56,000 acres, which should produce about 600,000 tons of beet; the area planted was 57,000 acres.

TOBACCO

Under the supervision of the Department of Agriculture, tobacco growing in the Saorstát has been carried on vigorously during the past three years. In 1934 approximately 1,000 acres were planted to tobacco; the maximum acreage which may be planted in 1936 is 1,500. Imports of unmanufactured tobacco amounted to just over 10,000,000 pounds last year (£700,000).

LIVE STOCK

Cattle.—The total cattle census of the Irish Free State has been recorded as 4,019,468 in 1935 as against 4,136,591 in 1934. Due to the operation of the Coal-Cattle Pact, live cattle exports increased in number from 511,103 (£4,257,922) in 1934 to 668,176 (£5,375,695) in 1935. In 1931, however, live cattle exports were valued at £12,669,000. Cattle prices have remained depressed during the year. The situation, however, may be helped in 1936 by the recent substantial reductions in the United Kingdom duties on Irish cattle as a result of the new trade agreement between the United Kingdom and the Irish Free State. The advantage to the Irish farmer, however, will be largely offset by the abolition of the cattle export bounty.

Sheep and Lambs.—The total number of live sheep and lambs in Saorstát Éireann has been recorded as 3,041,686 in 1935 as against 3,460,856 in 1932. The decline during the past three years has been due to the smaller number of sheep under one year old (including lambs). Exports of live sheep and lambs declined in number from 364,785 in 1934 to 279,255 last year, while the value of the animals exported declined from £441,816 to £357,470. Exports of dead mutton and lamb, on the other hand, increased from 12,976 cwts. (£41,310) in 1934 to 52,452 cwts. (£156,605) in 1935.

Live Pigs.—The number of live pigs in the Saorstát has been recorded at 1,087,679 in 1935 as against 968,413 in 1934 and 930,554 in 1933. Exports of bacon and hams have shown a substantial increase during 1935, being 501,128 cwts. (£1,493,076) as against 401,702 cwts. (£1,228,694) in 1934.

Live Poultry.—The number of live poultry in Saorstát Éireann was 19,484,861 in 1935 as against 19,983,000 in 1934 and 22,782,000 in 1931. Live poultry exports were valued at £80,583 in 1935 as against £25,604 in 1934. Exports of dead poultry, on the other hand, declined from £430,000 in 1934 to £377,200 last year.

Live Horses.—The number of horses in the Saorstát was 419,968 in 1935 as against 429,193 in 1934 and 449,697 in 1931. Exports of live horses last year numbered 12,658 (£1,049,202) as against 12,959 (£992,039) in 1934.

BUTTER

Exports of butter in 1935 totalled 530,978 cwts. (£1,658,259) as compared with 507,912 cwts. (£1,329,643) in 1934. Butter exports have been assisted by an export bounty since the high tariff of 40 per cent was imposed by the United Kingdom against Saorstat butter in November, 1932. In addition, and in order to pay for the export subsidy, all butter sold in the home market has been subject to an excise tax or levy of from 4d. to 6d. per pound. Butter consumed in the Saorstat is accordingly from 4d. to 6d. per pound dearer than the same butter consumed in Belfast or Liverpool. The Government have also fixed the price at which butter is to be sold throughout the country. Production of creamery butter is now largely supplanting the production of factory and farmers' butter, and exports are now 95 per cent creamery as against 75 per cent in 1931.

INDUSTRY

One of the outstanding Saorstat developments of the past three years has been the economic change-over from live-stock production to tillage and industrial expansion, and this industrialization has proceeded apace during the past year.

Flour-milling has been re-established on an economic basis, and many mills that had fallen into disuse have been brought into production and new mills established. Imports have been prohibited except under licence, and are now practically negligible. Beet sugar production, due to the establishment of four large factories, is now in a position to supply over 75 per cent of the country's sugar requirements.

The boot and shoe industry has undergone marked development since 1932, and the domestic output has increased from 70,000 dozen pairs in that year to 160,000 dozen pairs (£1,000,000) in 1934. Imports of boots and shoes have markedly declined—190,486 dozen pairs (£490,000) in 1934. These constituted less than 50 per cent of total consumption last year as against approximately 90 per cent in 1926. The furniture industry has developed steadily, and now supplies over 85 per cent of the country's requirements. The tanning industry has expanded rapidly. Six tanneries are now established in the Saorstat. Imports of women's and men's apparel have declined by approximately 70 per cent since 1931, especially imports of hosiery.

Great progress has been made in the motor industry, and over 30 distinct makes of motor vehicles are now assembled in the Free State. Imports of completely assembled vehicles are now prohibited except under licence. Imports of chassis and parts to be assembled locally have shown a great increase. The canning and meat packing industry as well as the confectionery and allied industries have all thoroughly established themselves in the country.

In the establishment of all branches of industry the Government have actively co-operated. Import duties have been applied on a wide range of products, and when factories have reached the production stage, it is the policy of the Government to bring into operation the Control of Imports Act, whereby importations are controlled and curtailed as the domestic industries are able to supply the demand.

GROWTH OF MANUFACTURES

As showing the growth of local production in certain prominent lines, the following table of import values indicates clearly the far-reaching effect of the Government policy of national sufficiency in manufactures from the time immediately prior to its inception until now. The table gives particulars for the first eight months of both years.

	1931	1935	Per Cent Reduction since 1931
Men's and boys' suits	£127,282	£ 15,835	87
Pickles, sauces, spices	29,762	12,445	58
Wheaten flour	779,725	62,533	91
Perfumery, cosmetics	43,630	16,420	62
Paints and enamels (prepared)	59,894	35,794	24
Soaps, soap powders	60,668	25,991	42
Stockings and hose	207,804	63,044	69
Fancy hosiery	116,118	36,049	69
Cordage, etc.	58,372	46,609	24
Hats	186,901	134,522	28
Handkerchiefs	17,076	3,958	77
Jute sacks and bags	75,313	2,348	97
Polishing preparations	29,402	5,258	32
Brooms and brushes	27,250	18,319	33

It is difficult to obtain statistics of new industries, as many of them are small, but they are estimated at several hundred. The Control of Imports Act is designed to limit the movement by outside firms to establish branches in this market.

Exclusive rights to the home market through the system of "Government reserved commodities" have been extended to cotton thread, vegetable oil, and coke, certain rubber articles, industrial alcohol, and watches. Articles now being manufactured successfully under tariff protection include the following:—

Children's and ladies' dresses, men's suits, ladies' and gentlemen's hats, woven underwear and outerwear, artificial silk hose and garments, braces, garters, elastic, waterproof, rubber boots and shoes, leather boots and shoes, uppers and insoles, boot and shoe laces, buttons, yarns, knitted fabrics, woven tissues and piece-goods, cotton thread, sports goods, face powder, face cream, perfume, lipstick, hair preparations, lavender preparations, razor blades, electric cables, electric light bulbs, batteries, bakelite, fireclay products, pottery, marble goods, aluminium-ware, cutlery, enamelware, hollow-ware, plate glass, brushes, brooms, mops, linoleum and felt floor covering, tubular furniture, garden chairs, stoves and ranges, ladders, clocks (assembly), ropes and twines, leather bags, leather trunks and attaché cases, perambulators, copper tubing, cartridges, metal nuts and bolts, castings of various forms, staples, nails, screws and tacks, motor car components, spark plugs, pneumatic tires and tubes, oilcakes, printers' ink, advertising tape, paper, pencils, inks, toys and games, patent medicines, alcohol, tinned meats, tinned fruits, sauces, breakfast foods, cattle and chicken feed, meat meal, sugar, flour improver, rice products, cheese, tobacco, soap, and candles.

UNEMPLOYMENT

In an effort to solve the problem of unemployment, the country was divided into a number of areas, and public money allocated for relief works to be carried out under the Board of Works. Under this scheme, it is intended that at least half a year's work should be given per annum to each unemployed employable man. The stoppage of emigration has had the effect of considerably increasing the employable population; this has been offset by the increase in local industry, although it is difficult to state the exact number of persons registered at employment exchanges, because different methods of recording are used in different localities, and the fact that the population is largely engaged in farming adds to the difficulty. In April, 1935, there were 135,000 applicants for unemployment assistance, while the number of persons insured under the Employment Acts in 1934-35 was 246,000 as compared with 380,000 in 1933-34. These figures refer only to persons engaged in industrial and commercial pursuits.

The expenditure for unemployment has been increasing steadily and amounts to some £45,000 per week in Dublin.

BANKING

The continuation of low money rates has been a feature of the past year. The combined net profits of the banks show a decrease for the year of £25,479,

but, with one exception, dividends have been maintained. The Bank of Ireland dividend has been reduced by 1 per cent to $13\frac{1}{2}$ per cent. A small increase is shown by deposit and other credit accounts. In view of the number of new capital issues made during the year and the increased activity in home and cross-channel stock exchange securities, an increase in deposits, etc., was not generally anticipated. Note circulation at December 31 shows an advance of £113,833, and would indicate an expansion in trade. Advances at £59,256,933 are down by £915,445.

While the banks in the Free State continued to hold their strong financial position and have also managed to maintain their comparative prosperity, they have not advanced relatively to the expansion of currency. This, perhaps, was to be expected in view of the increasing payments of weekly wages in new industrial enterprises. The amount held in deposit and current accounts was about £120,000,000 for the final quarter of 1934 as compared with the peak figure of £135,000,000 at the end of 1933, and had fallen further to less than £117,000,000 at the end of the third quarter of 1935.

STATE FINANCES

Increased revenue, with a heavy increase in customs receipts, feature the returns for the nine months ended December 31, 1935, as compared with the corresponding period of 1934. Total revenue was £19,965,087 and £18,705,719 respectively, while the expenditures were £22,383,474 and £21,788,673.

During the year the First Free State National Loan was successfully converted to 4 per cent, a very small proportion of holders having applied for cash redemption privileges. New trading companies in 1935 greatly exceeded the peak year of 1934 both in number and amount of capital. Eighteen public issues were made, and the sum offered to the public was £3,515,500 as compared with £3,070,753 in 1934.

ELECTRICAL DEVELOPMENT

The earnings of the Irish Free State Electricity Board for the year ended March 31, 1935, totalled £1,258,388 as against £1,149,684 for the previous year.

The number of consumers increased during the last financial year from 89,890 to 103,307. An important feature of recent development is the increasing use of electricity by large institutions for cooking, water heating and space heating.

RAILWAYS AND ROAD SERVICES

Both the leading railway companies operating in Ireland report a year of progress.

The Great Northern Company has exercised the powers conferred on railways in the Free State for acquiring the road lorry services in their territories, while in Northern Ireland, under the Road and Railway Transport Act, 1935, the entire road services hitherto operated by the company have been taken over by the newly-formed Road Transport Board. During the year there was an improvement in the company's traffic receipts, but the expenditure has also shown a substantial increase. The company now operate 124 omnibuses and 137 lorries in the Free State, covering a route mileage of 1,015.

The Great Southern Railways now operates virtually all the road passenger services in its own territory, outside the Dublin area, while in the City of Cork the company has operated for some years a city service with double-deck omnibuses. The acquisition of road merchandise competitors, which commenced in 1934, has been speeded up, and by the end of 1935 the Great Southern Railways had transferred to it approximately 230 road merchandise carrying businesses.

SOUTH AFRICAN MARKET FOR MACARONI

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, March 17, 1936.—As the result of sanctions against Italy, a small market in this country is now available to Canadian exporters of macaroni. Prior to the enforcing of sanctions it was impossible to interest local importers in the Canadian product, but with the shutting off of supplies from Italy importers have already placed orders with at least two Canadian exporters of macaroni.

The extent of the market is not large. In 1929 imports amounted to 230,225 pounds valued at £4,349. In 1934, owing chiefly to domestic competition, imports dropped to 177,647 pounds valued at £3,000, but even this figure includes canned spaghetti.

The chief source of supply for macaroni and vermicelli has been Italy, with exports to South Africa of 84,240 pounds valued at £1,051. The United States is credited with 80,976 pounds valued at £1,772. This is chiefly canned spaghetti from a well-known packer of canned goods.

As in the case of so many food products, the coast cities present the best opportunities for the sale of Canadian macaroni, as owing to the heavy inland freight rate, South African factories situated in the Transvaal would be able to underquote Canadian prices.

The best selling grades are long macaroni and vermicelli, there being practically no demand for cut macaroni or vermicelli. Sales are made in the usual 1-pound packages, but there is also a small demand for bulk macaroni and vermicelli packed in 28-pound boxes.

The sale of imported macaroni in South Africa will always remain small owing to local production, but the present is an opportune time for Canadian exporters to enter this market. As to whether or not they will be able to hold the market when trade is again resumed with Italy, is another matter.

The colour required is yellow. The buying public apparently believe that the yellow colour indicates the presence of egg, and for that reason is preferred to the white. The same remarks apply to vermicelli. Macaroni has its chief sale during the winter months, from June to October, and indents are usually placed during the months of March and April. Imported macaroni is usually looked upon as superior to the local product, probably due to the superior quality of wheat used. South African wheat is very soft and naturally does not compare for gluten content with North American wheat.

The prospects for the sale of Canadian macaroni during 1936 are considered very fair, so long as the Italian product is not available, and interested manufacturers should forward samples and prices to this office. The latter should preferably be c.i.f. and include a 5 per cent commission for an agent.

AFRICAN FLOUR MARKETS: SHIPPING SERVICES

With reference to the section under "Shipping" in a report on the above subject by Mr. G. R. Heasman, Canadian Trade Commissioner in Cape Town, which was published in *Commercial Intelligence Journal* No. 1678 (March 28), page 527, the attention of Canadian exporters of flour to Kenya, Uganda, Tanganyika, and Zanzibar is directed to the facilities offered by the Canada-India Service of the Ellerman Bucknall Steamship Company, of which Messrs. McLean Kennedy, Montreal, are the agents, for shipments from Eastern Canada to these destinations with transshipment at Aden.

HONGKONG WHEAT FLOUR MARKET CONDITIONS

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

(The average exchange rate for November, December, 1935, and January, 1936, has been 32½ cents. One picul equals 133½ pounds.)

Hongkong, March 14, 1936.—The trade and shipping returns for the Colony of Hongkong show imports of flour from all sources during the three months from November to January inclusive amounting to 268,501 piculs valued at HK\$1,831,473 as against imports of 292,700 piculs valued at HK\$1,620,101 during the similar period of 1934-35 and 419,049 piculs valued at HK\$2,078,892 during the immediately preceding three months.

During the period under review Australia was again the principal supplier, being credited with 175,246 piculs (186,860 piculs during 1934-35) valued at HK\$1,123,733 (HK\$944,162).

Canada was credited with 65,006 piculs (55,191 piculs), the declared value of which was HK\$495,430 (HK\$367,605).

The other suppliers were the United States, 9,424 piculs (35,097 piculs) valued at HK\$76,110 (HK\$220,715); and North China—i.e., Shanghai milled stocks—18,825 piculs (15,552 piculs) valued at HK\$136,200 (HK\$87,619).

Imports of Shanghai milled flours have been increasing in recent years. In the three-months' period ending January, 1932, there were no importations; in the period ending January, 1933, the percentage was 1.32; ending January, 1934, 5.31 per cent; and ending January, 1935, 6.91 per cent.

During December the market was dull with no business of importance, due principally to the mark-up in price in local currency, with the devaluation of the Hongkong dollar and its separation from silver.

January was a month of increasing activity, and of steady buying by dealers, particularly in Canton and the outports, where stocks were depleted. This trend, though in part explained by the imminence of the Chinese New Year festival, was unusual, since with the close of the calendar year there is a lull until after the variable Chinese New Year date; this New Year's date usually falls some time during February, but this year it occurred on January 24. Business continued brisk until January 20, and the New Year settlement was well above expectations. It was anticipated that the demand would continue after the Chinese festival, but a general note of uneasiness regarding the trend of the world wheat quotations made itself felt, and a slackening of interest on the part of dealers resulted.

PRICES

During the month of January the price of Australian flour advanced from HK\$2.45 to HK\$2.80 per bag, at which price the return to the importer barely equalled February replacement costs.

February business has been below expectations, with few sales reported and dealers withholding offers in anticipation of a general weakening of quotations.

Very little flour of either Canadian or United States origin was bought by importers during the period under review, though the last few days of February witnessed an increasing interest in quotations.

As at to-day's date the approximate averaged quotations on the several grades and qualities of flour are as follows:—

	Per Bag	Per Barrel
U.S. White Club Straight ..	HK\$3.35/3.70	U.S.\$4.20/4.75 ex godown
U.S. 2nd Clear Straight ...	2.85	3.50 ex godown
U.S. 2nd Clear Straight ...	3.05	3.75 to arr. March
U.S. Cut-off.	3.85/4.10	4.80/5.20 ex godown
U.S. Cut-off.	4.10	5.20 to arr. March
Canadian First Clear. . . .	3.02/3.18	3.75/4.00 ex godown
Canadian First Clear. . . .	3.10/3.30	3.85/4.20 to arr. March
Australian	2.70/2.90	£6.17.0/7.7.9d. per ton
Shanghai flour.	3.20/3.22 ex godown	

Stocks available in godown at these prices amount to approximately 250,500 bags, or perhaps 60,000 bags more than the quantity considered as a minimum stock requirement. Spot stocks include the following estimates of amounts by countries of origin: Australian, about 176,000 bags; Canadian, about 65,000 bags; United States, about 14,000 bags; and Shanghai, about 9,500 bags.

NETHERLANDS FISH MEAL MARKET SITUATION

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one metric ton equals 2,205 pounds; one florin or guilder equals Can.\$0.402 at par and approximately \$0.67 at current rate of exchange. Conversions have been made at current rate of exchange.)

Rotterdam, April 8, 1936.—In the year 1935 the quantity of fish meal imported into the Netherlands was lower than it has been since 1928, when the trade was still in its infancy. This was due to a variety of causes. One of the most important of these is the poor condition of the livestock industry owing to the partial loss of profitable foreign markets for pork and pork products in such countries as Great Britain. In addition there was over-buying in 1934, while yet another factor was the imposition of import restrictions from May 23, 1935. These latter made the securing of an import permit necessary and the payment of a monopoly tax of fl. 1 per 100 kilos, which from September 15 was raised to fl. 1.50. This tax had been anticipated for the better part of a year and was one of the causes of the abnormally large imports during the preceding twelve months.

Fish meal imports into the Netherlands in metric tons from the principal countries of origin have since 1928 been as follows:—

Year	Canada	United States	United Kingdom	Norway	Total
1928	2,170	529	2,466	3,146	11,873
1929	2,245	2,457	2,855	5,559	15,074
1930	2,595	2,298	5,422	7,700	21,030
1931	4,579	1,971	7,312	7,032	25,877
1932	4,333	1,111	6,231	7,211	20,172
1933	2,220	2,908	4,882	9,073	21,567
1934	4,463	12,138	3,617	2,475	26,337
1935	1,088	7,640	1,040	908	11,908

Imports during the first two months of 1936 have continued at a low level with a total of 2,962 metric tons (fl. 192,000) in comparison with 3,414 tons (fl. 245,000) for the corresponding period of 1935. Norway was credited with 1,067 tons, the United States with 866 tons, and Canada with 453 tons, while Argentina, the United Kingdom, Sweden, and Japan followed with smaller quantities.

It will be noted from the preceding table that up to 1934 Norway was, with one exception, the principal individual shipper. During 1934 and 1935 Norwegian herring meal was diverted to Germany because of a clearing agreement between those two countries, and there was consequently little Norwegian competition on the Dutch market. Owing to accumulating payment difficulties in connection with shipments to Germany, however, Norway is again offering in the Netherlands, as the figures for January and February of 1936 indicate. An almost record herring meal production is reported during the current season and offers to Holland have been as low as the equivalent of \$38 per ton. The ruling price for Norwegian fresh herring meal is from about \$40 to \$42.

Fish meal stocks in this country are low, and while the peak of Norwegian selling pressure will have passed by the time Canadian pilchard meal is obtainable, the reflex of low prices will continue to be a handicap to remunerative business.

ROYAL NETHERLANDS INDUSTRIES FAIR

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Rotterdam, April 2, 1936.—Approximately 100,000 visitors attended the Royal Netherlands Industries Fair, the national trade exhibition of Holland, which was held in Utrecht between March 10 and 19. The Netherlands Industries Fair, which has both a spring and autumn session, was established during the war, since which it has made rapid progress in growth and importance, until it is now firmly established as an important adjunct to the general question of selling in Holland.

Unlike some of the other smaller recurring fairs in Europe, the Utrecht Exhibition is of an international character with direct participation by producers from many foreign countries. During the session which has just closed there was a total of approximately 1,450 exhibitors, of which number some 1,352 were from Holland. The balance was divided as follows: Germany, 84; Belgium, 54; Austria, 41; Canada, 31; France, 21; Great Britain, 16; Esthonia, 13; Sweden, 9; and the United States, 4. The small balance was divided between Switzerland, Norway, Denmark, Finland, Italy, and Czechoslovakia.

There was official participation by Canada, Belgium, Germany, Esthonia, France, Austria, and Switzerland.

Despite the fact that general business conditions in the Netherlands remain at a low ebb, the March fair was in many ways more successful than any of its immediate predecessors. Not only was the number of visitors some 10 per cent greater than in March, 1935, but a larger number of foreign buyers were also reported, chiefly from Belgium, the United Kingdom, and Germany. Business was reported as having been brisk with a tendency in some lines towards higher prices.

CANADIAN PARTICIPATION

It was on this occasion that Canada for the first time participated in a Netherlands exhibition, where nineteen importers, collectively representing thirty-one Canadian manufacturers, had displays. All of these received a substantial number of new inquiries from prospective purchasers, and in addition a fair volume of actual new business was secured. The Canadian section was visited by Her Majesty Queen Wilhelmina, the Prime Minister, and many other notables, while the general public showed a keen interest in the articles being displayed.

CANADIAN EXHIBITORS

The following is a list of the Canadian firms which participated, together with the products displayed by each:—

American Pad and Textile Co., Chatham, Ont.	Gloves.
Andrews Wire Works Ltd., Watford, Ont.	Household accessories
Beaver Company Ltd., Thorold, Ont.	Beaverboard.
British American Assurance Co. Ltd., Toronto	Insurance.
Building Products Ltd., Montreal	Wallboard.
Beatty Bros. Ltd., Fergus, Ont.	Washing machines, ironing machines.
Canada Motor Products Ltd., Toronto	Automotive products.
J. H. Connor & Sons, Ottawa	Washing machines.
Donnacona Paper Co. Ltd., Donnacona	Wallboard.
Dominion Rubber Company, Montreal	Footwear.
Federal Rubber Products, Stratford, Ont.	Rubber products.
Flexo Manufacturing Co. Ltd., Toronto	Automotive products.
Glovers Guild Ltd., Ste. Anne de la Perade, Que.	Gloves.
Gypsum, Lime and Alabastine Ltd., Paris, Ont.	Wallboard.
Jenkins Bros. Ltd., Montreal	Brass valves.
John Lewis Industries Ltd., Ship Harbour, N.S.	Wooden spoons.
Lakefield Boat and Canoe Co. Ltd., Lakefield, Ont.	Canoes.

Ladore & Co. Ltd., Walkerville, Ont.	Weatherstrip.
Monarch Battery Mfg. Co. Ltd., Kingston, Ont.	Automobile batteries.
Miner Rubber Co. Ltd., Granby, Que.	Footwear.
Morrow Screw and Nut Co. Ltd., Ingersoll, Ont.	Bolts, etc.
Maple Leaf Electric Tools Ltd., Toronto.....	Boring appliances.
H. Paulin & Co. Ltd., Toronto.....	Hardware.
Planet Manufacturing Co. Ltd., Toronto.....	Cylinder grinding apparatus.
Sterling Rubber Co. Ltd., Guelph, Ont.	Surgeons' and household gloves.
Viceroy Manufacturing Co. Ltd., Toronto.....	Hot-water bottles, bathing caps, etc.
Webber Machine Co., Toronto.....	Ring gears.
Welland Vale Manufacturing Co. Ltd., Toronto.....	Garden tools.
Hiram Walker & Sons Ltd., Walkerville, Ont.	Whisky.
Watson Jack & Co. Ltd., Montreal.....	Household oil.

There were additional exhibits of Canadian flour, wheat, cereals, and wood varieties. The last-named in particular attracted considerable attention and has resulted in a number of promising inquiries for hardwoods, with specific reference to maple flooring. Apart from these, inquiries were received from importers and agents who are desirous of getting in touch with Canadian manufacturers of such articles as wallboard, plywood, paper, meat skewers, artificial leather, animal hair, automotive products, rubber goods, skates, lawn mowers, canned foodstuffs, dried and fresh apples, honey, macaroni, flour, confectionery, gloves, toys, and canoes.

Exporters in a position to submit offers on any of the foregoing are invited to communicate with the office of the Canadian Trade Commissioner in Rotterdam.

SPANISH MARKET FOR PIGS AND PIG PRODUCTS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Milan, March 9, 1936.—Badajoz and the provinces south of it, or the southwest corner of the country, and four provinces in Galicia, grouped around Lugo, are the principal pig-producing districts in Spain. Breeding is also carried on in Valencia and Murcia, and in the country between Barcelona and the French border, but on a somewhat lesser scale. In other parts of Spain, such as Léon, Salamanca and Oviedo, pigs are kept by farmers, but only for their own consumption or to meet more or less adequately the local demand.

PIG POPULATION TRENDS

According to the latest census, 1932, the pig population was 5,048,232. There may have been an increase in 1935, as this industry is strongly encouraged by the Government, which prohibits imports for slaughtering purposes (nominally for reasons of hygiene). Propaganda to promote breeding and for the elimination of disease is carried on by the Government on a large scale. Pamphlets on hygiene are distributed free; so also are serums. Isolation of diseased animals and means for their destruction are provided for. Owing to the depression in the grain market, wheat is being fed to animals.

Exports of live pigs are small—some 900 animals each year—and are destined almost wholly for Andorra. A few are sent to the Spanish towns in Morocco.

PRICES

During 1935, in the central provinces around Madrid, prices have tended to fall in spite of a less than normal production, but owing to large stocks of hams and sausages, there was little or no demand for carcasses. Another influence was the low price of lard, for which there is very little demand.

PIG PRODUCTS

There are no recent statistics available concerning domestic production of pig products, but it is thought that it adequately meets the local demand with a small surplus available for export. Local producers are not interested in exports, as they sell on the local market at prices which are not obtainable in the case of shipments for abroad.

IMPORTS

The protective policy pursued by the Government leaves little opening for imports.

Until the beginning of 1935 the principal imports consisted of bacon, salt pork, and lard. The average annual value from 1930 to 1934 was 315,000 gold pesetas, with a marked tendency to increase. The quantity imported in 1934 was 18,700 metric quintals. In 1935 a quota was imposed of 2,934 metric quintals. Imports during 1935, at 3,020 quintals, slightly exceeded the quota and were from the United States and Argentina.

The value of the imports of hams from 1930 to 1934 averaged 800,000 gold pesetas, but tended to decrease. The quantity imported in 1934 was 640 metric quintals, and in 1935, when a quota was imposed, 296 quintals. The United States and Argentina were the chief sources of supply; and there were small quantities from Denmark and France.

Imports of sausages are unimportant.

EXPORTS

Spanish exports of pig products, though not large, are much in excess of imports, but have been declining for the last five years. The reason for this appears to be that their principal markets lie in other Spanish countries, which have been severely hit by the depression and have, in addition, been in difficulties over payments to Spain.

MARKET FOR CANNED CODFISH IN THE BELGIAN CONGO

MAURICE BÉLANGER, ACTING TRADE COMMISSIONER

Brussels, March 23, 1936.—Unlike most other tropical countries, the Belgian Congo is not a large importer of dry salted codfish. The reason is that other varieties of dried fish can be obtained from nearby countries at prices which make it impossible to compete for the native trade. Dried fish (not salted) from Angola is sold at Matadi for about 2 Belgian francs per kilogram (approximately 3 cents per pound), and is appreciated by the natives. Congo statistics do not list dry salted fish separately, all imports of fresh, dry, salted, and smoked fish coming under the same heading.

Imports for consumption under this heading in 1934 totalled 4,648 metric tons (8,395,461 Belgian francs), compared to 5,443 tons in 1933 (10,303,576 francs). Out of these totals, Angola alone supplied 4,194 metric tons (8,395,461 francs) in 1934 and 4,634 metric tons (8,027,261 francs) in 1933. Angola supplied about 90 per cent of the total imports in 1934 and 85 per cent in 1933. Other supplying countries in 1934 were Spain, Portugal, Germany, Belgium, Norway, Great Britain, South Africa, and Uganda. Some of the imports credited to European countries, such as Belgium and Germany, are probably goods shipped from these countries but produced elsewhere.

The only demand for codfish is among the white population (about 25,000), who require a luxury article. To satisfy this demand, dry salted codfish is imported in tins from Norway and Great Britain. This fish is of the highest quality, white and heavily cured. There is no demand for off-colour fish. There

are two kinds imported: whole codfish with fins and tail but without bones or head, and boneless codfish cut into pieces. This fish is packed in tins of 5 kilograms net (11 pounds), lacquered on the outside a light yellow colour. The tins are in turn packed in a wire-bound wooden case containing six tins and marked "6 x 5." Cases should be strong, but at the same time as light as possible, transportation in the Belgian Congo being an expensive item.

Practically all tinned codfish imported into the Congo is shipped from Antwerp by Belgian firms dealing with the colony. The price of cut boneless codfish from Scotland is at present 31s. per case of six tins f.o.b. Antwerp, while Norwegian codfish sells at 26s. per case f.o.b. Antwerp. Codfish enters the Congo free of customs duty, and there is no import or sales tax.

MARKET FOR CODFISH IN THE DOMINICAN REPUBLIC

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Havana, March 31, 1936.—The Dominican Republic, not only on account of climatic conditions but also because of its Spanish heritage, has been for many years a market for fish, particularly dried or salted varieties. In earlier times fishermen from Nova Scotia and Newfoundland, sailing their own schooners, brought their catch directly to the market; but in more recent years, with greater organization among sellers, shipments from the east coasts of British North America have been handled in the main by brokers in Halifax, Nova Scotia, or St. John's, Newfoundland.

Ciudad Trujillo (formerly Santo Domingo), the capital, with a population of about 45,000 as compared with 1,478,000 for the whole country, is the largest centre for the importation of dried fish in the republic; San Pedro de Macoris and Puerto Plata are also of ranking importance. While some shipments are made from the United States, from Canadian, Maine, or Massachusetts waters, and also from Norway in small quantities, in recent years Canada has dominated the Dominican market.

EFFECT OF ADVERSE CONDITIONS ON SALES

Following the severe hurricane in 1930 which caused wholesale destruction throughout the republic, the economic position has been greatly depressed. Resultingly, the purchasing power of the people has been very low and imports of dried fish greatly curtailed. With the deepening of the depression following several years of reconstruction and continued market-bottom prices for sugar (the country's most important export), internal revenue taxes were extended on March 13, 1935, to include all types of dried and salted fish. For the eight months during which these taxes were operative, trade in these types of fish was almost at a standstill, but with a two-thirds reduction in November last some improvement has taken place.

IMPORTS

Import statistics issued by the General Receiver of Dominican Customs for the five-year period since 1931 for dried and salted fish (mainly cod, but including hake, pollock, and haddock) indicate a general downward trend in value. Volume from 1931 to 1934, inclusive, was more or less steady, but a material reduction in both volume and value took place during 1935 due to the internal revenue taxes having been put into effect in that year. As is indicated by the statistics, Canada has generally obtained 90 per cent of this market. Table of imports for the three years 1933 to 1935 from principal countries of export follows:—

*Imports of Salted or Dry Fish into Dominican Republic, Calendar Years
1933 to 1935*

Country of Export	1933		1934		1935	
	Kg.	\$	Kg.	\$	Kg.	\$
Totals	1,822,161	149,253	1,721,234	150,839	593,205	47,742
Canada	1,748,621	142,172	1,602,088	136,344	582,159	46,299
United States	49,177	4,323	74,496	8,523	7,454	1,056
Norway	3,824	476	7,473	528	.....	.....
Newfoundland and Labrador	17,418	2,020	36,945	5,378	3,484	360

MARKET REQUIREMENTS

Although shipments of codfish are made to each of the three main ports of Ciudad Trujillo, San Pedro de Macoris, and Puerto Plata, the first-named is the most important centre and therefore more or less directs the types of fish required for the whole market. The usual grades are those familiar to Canadian exporters, namely: large or prime, medium, and small. All three sizes are imported, with the medium grade obtaining the greatest sale. The great particularity of the Havana market as to quality (see *Commercial Intelligence Journal* No. 1679: April 4, 1936) is not present in the Dominican Republic.

The grades produced in Canada and Newfoundland, and which are sold successfully in the eastern part of Cuba, are suitable for this republic. The fish should be without head, without skin and bones removed, and with or without black nape, dry-cured, but not as dry as is required for the Havana market. The 128-pound net drum used by Canadian codfish exporters is the preferred packing. Norwegian exporters who sell small quantities in the Dominican Republic use a 45-kilo net case, but this type of packing has never been favoured by importers. Some drums of 224 pounds net have recently been tried for medium and small codfish with success, and it is believed in the trade that in time this size of drum will be received with favour.

PRICES

There were some variations in prices for codfish during 1935 owing to increased laid-down costs following the imposition of internal revenue taxes on this commodity, but in the main prices were fairly steady. Recently, prices have been more or less steady for codfish at \$5.75 c.i.f. port of entry. An indication of the effect of the internal revenue tax is shown by the increase in retail prices from about 8 to 9 cents per pound to 12 to 14 cents per pound at the present time. During the period March to December, 1935, when the tax amounted to 15 cents per kilogram gross, retail prices were as high as 20 cents per pound in some of the few shops which continued to stock small quantities.

METHODS OF SALE

Practically the entire codfish business is done through agents in the main importing centres. Shipments are made direct to buyers, who generally purchase against thirty to sixty days' sight draft. In some cases merchants import for their own account; in one instance a large importer maintains his own buying agent in Halifax, Nova Scotia.

LOCAL PREFERENCES

The Canadian codfish is sold almost exclusively in the Dominican Republic; not more than about 10 per cent of the consumption represents imports from other countries. This preference for Canadian cod results from the many years of sales by Canada to the republic at prices and for qualities which have been considered equitable.

CUSTOMS DUTIES, ETC.

Customs duties on dried codfish in the Dominican Republic amount to \$2.25 per 100 kilograms net from all countries. On this basis, and considering the low purchasing power of the country for some years past, Canadian exporters were enabled to do a fair volume of business. On March 13, 1935, however, an internal revenue law became effective, under which codfish was subjected to a revenue tax of 15 cents per kilogram gross. As the main buying season for all types of dried or salted fish is between December and March, the total trade for the whole year was not so seriously affected as would have been the case if the law had been put into force three months earlier. Nevertheless, the majority of merchants were unable to continue carrying stocks, and for all practical purposes the trade was at a standstill for the rest of the year. On November 22 last a downward revision of the tax took place, so that from that time forward codfish has been subject to one-third of the previous tax, or 5 cents per gross kilogram. Importers estimate that on the present tax basis the combined customs duty and internal revenue tax amounts to about 8 cents per kilogram net.

PROSPECTS FOR INCREASED CANADIAN SALES

With the exception of 1935, sales to the Dominican Republic over the past five years from Canada have been more or less stable. During 1935, as indicated, the revenue taxes practically brought the trade to an end, and, although considerable relief from these taxes has been given, the enhanced retail price caused by the combined duties and tax is much too high yet for the average former consumer who, with his low purchasing power, still finds dried codfish a luxury. Resultingly, unless a material amelioration in economic conditions takes place in the republic during the next few years (which betterment is entirely dependent upon a wider market for sugar accompanied by a higher price), there is little likelihood that any increased sales will take place in the immediate future.

BOLIVIAN EXCHANGE SITUATION

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, April 4, 1936.—By virtue of a decree issued at La Paz, Bolivia, it is indicated that a new exchange rate came into force in Bolivia on April 1. The price of Bolivian currency has been fixed at 50 bolivianos to the pound sterling, through an agreement reached with the mining interests. It will be recalled that during the war in the Chaco sterling was quoted at an average of 109 bolivianos in the free market; more recently the price has fluctuated in the neighbourhood of 80 bolivianos to the pound sterling. The official rate of exchange was 20 bolivianos. The mining interests have agreed, in exchange for this concession, to hand over to the Government $42\frac{1}{2}$ per cent of their gold holdings at the price of 37.5 bolivianos per pound sterling. As tin exports increase the percentage will be reduced in proportion, and when these exports have risen to 2,500 tons, the proportion will be 40 per cent at 39.5 bolivianos.

FOREIGN TRADE OF CHINA, 1935

B. A. MACDONALD, CANADIAN TRADE COMMISSIONER

II

China's Imports by Principal Commodity Groups—Continued

(It should be noted that in this section values are shown in gold units (G.U.). This is because *detailed* statistics for import values are given by the Chinese Customs only in gold units and *not* in *Yuan* dollars. The gold unit's average value in 1935 was Can.\$0.68 as against Can.\$0.66 in 1934: thus an approximate idea of the value of each import in *Canadian dollars* may be obtained by taking two-thirds of the figures given. The average value in 1935 of the gold unit in terms of *Yuan dollars* was Yuan \$1.87.)

CHINA'S IMPORTS FROM CANADA

As noted, China's imports as a whole from Canada improved appreciably in 1935 as against 1934, the gain being 6 per cent if calculated in *Yuan* dollars, 12 per cent if calculated in gold units, and 14 per cent if calculated in *Canadian dollars*. The net position may be seen at a glance in tabular form:—

Value of China's Total Imports from Canada, 1933-35

(000 omitted)

	1933		1934		1935		Inc.	%
	Value	% of Total Imports	Value	% of Total Imports	Value	% of Total Imports	1935 over 1934	1935 over 1934
Gold units	12,197	....	9,793	....	10,986	....	1,193	12
Yuan dollars . .	23,771	1.75	19,272	1.85	20,416	2.18	1,144	6
Canadian dollars	7,924	....	6,424	....	7,350	....	926	14

Canada's relative importance in China's import trade has risen consistently over the past few years: the Dominion's share of this country's total imports was 1.53 per cent in 1932, 1.75 per cent in 1933, 1.85 per cent in 1934, and 2.18 per cent in 1935.

The great exporting industrial countries, the United States, Japan, Germany, and Great Britain (with shares of 19 per cent, 15 per cent, 11 per cent, and 10 per cent respectively in 1935), exceed Canada in importance as do, to a lesser extent, the following countries, because of one or two important export commodities: French Indo-China (rice), Netherlands India (petroleum and sugar), Australia (wheat), Siam (rice), and British India (rice, cotton, and jute).

TRENDS IN THE IMPORT TRADE FROM CANADA

The outstanding features of Canada's trade to China in 1935 were: (a) the practical disappearance of wheat imports and (b) the striking extent to which total trade was nevertheless maintained. From the time this country first began to import wheat in 1923 down to 1933, wheat constituted roughly from 20 to 48 per cent of Canada's total annual sales to China. Since 1933, however, Canadian grain has been non-competitive with that from Australia and Argentina, and the result can be seen from the following figures:—

	1933	1934	1935
	Thousands of	Thousands of	Thousands of
	Gold Units	Gold Units	Gold Units
Total imports from Canada	12,197	9,793	10,986
Imports of wheat from Canada	4,085	330	48
Imports of remaining commodities	8,112	9,463	10,938

The result is the same if Yuan dollars are taken:—

	1933	1934	1935
	Thousands of Yuan Dollars		
Total imports from Canada	23,771	19,272	20,416
Imports of wheat from Canada	7,966	649	90
Imports of remaining commodities	15,805	18,623	20,326

These figures show clearly that, apart from wheat, the value of the import from Canada of all other commodities taken together has increased over the past three years at a time when China's total imports have been declining. The explanation lies chiefly in increased sales of Canadian timber products and of newsprint paper.

The following table has been prepared to show the nature and relative importance of imports from Canada by individual commodities and commodity groups in the order of importance by groups in the year just past. Although it is somewhat long, it is given here that it may serve as a readily available reference for those interested. The value of China's total imports of each commodity during 1935 is given in the extreme right-hand column in order to show the rough proportion which Canada is supplying in each case.

China's Principal Imports from Canada, 1934-35

(All figures are in thousands—000 omitted—unless otherwise stated. Where figures are not given they are either unavailable or negligible.)

Quantity Equivalents.—One cubic metre equals roughly 424 feet board measure; one kilogram equals roughly 2.2 lbs.; one quintal equals roughly 220 lbs.; nine quintals are roughly the equivalent of one short ton; one litre equals roughly 1.76 pints.

	1934		1934		Total All Countries, 1935
	Cub. M.	G.U.	Cub. M.	G.U.	G.U.
	Figures in Thousands		Unless Otherwise Stated		
Total imports of all kinds . . . . .	....	9,793	....	10,986	504,391
Timber of all kinds . . . . .	....	3,963	....	4,990	19,004
Hardwood logs	7.6	87	11.4	127	1,975
Softwood logs	20.4	198	44.3	464	3,657
Sawn hardwood . . . . .	....	....	....	1	707
Sawn softwood	241.0	2,711	202.0	2,292	5,557
Manufactured softwood	43.9	649	36.3	514	949
Railway sleepers	159	103	1,402	1,430	4,631
Timber, n.o.r. . . . .	....	216	....	162	826
Books, maps, paper, and woodpulp . . . . .	....	2,269	....	3,320	28,718
Books, music, newspapers, periodicals, etc. . . . .	....	2	....	2	2,937
Common printing and newsprint	Quintals 288.0	1,976	Quintals 457.0	2,869	8,283
Kraft paper	1.1	12	10.7	112	937
Paper n.o.r. . . . .	....	6	....	3	1,382
Paperware and all articles made of paper, n.o.r. . . . .	....	17	....	129	4,046
Wood-pulp	35.0	250	31.0	202	760
Cereals and flour . . . . .	....	1,060	....	977	76,958
Wheat	85.0	330	10.0	48	19,821
Flour of wheat	110.0	707	131.0	909	3,238
Cereals, n.o.r.	2.3	21	2.1	19	314
Metals and ores	Kg.	1,083	Kg.	669	47,431
Aluminium (not including foil)	562.0	390	386.0	230	1,122
Pipes, tubes and their fittings (un-galvanized)	Quintals 3.3	35	Quintals 0.5	5	1,220
Pipes, tubes, and their fittings (galvanized)	6.3	84	....	4	986
Rails	65.0	145	....	....	4,696
Lead, pigs or bars	33.0	291	27.0	254	387
Zinc	8.6	120	14.0	171	772
Fishery and sea products . . . . .	....	397	....	342	9,998
Salted herrings	56.0	392	68.0	324	720

	1934		1934		Total All Countries, 1935
	Quintals Figures in Thousands Unless	G.U.	Quintals G.U.	Otherwise Stated	G.U.
Chemicals and pharmaceuticals. . . . .	....	106	....	111	20,329
Sulphate of ammonia	14.0	86	19.0	97	4,134
Fertilizers, artificial, n.o.r.	1.5	9	0.5	3	180
Medicines, drugs, etc., n.o.r. . . . .	....	7	....	9	5,221
Animal products, canned goods and groceries . . . . .	....	79	....	72	6,268
	Kg.		Kg.		
Cream and milk, evaporated.	104.0	22	75.0	14	403
Foodstuffs, canned or in any other packing, n.o.r. . . . .	....	9	....	9	1,006
Confectionery . . . . .	....	21	....	14	272
Macaroni, vermicelli and similar products.	25.0	5	27.0	5	23
Animal products and groceries, n.o.r. . . . .	....	18	....	18	1,057
Vehicles and vessels . . . . .	....	16	....	49	16,352
	Pieces		Pieces		
Motor cars and buses (incl. chassis)	13*	11	42*	40	2,988
Machinery and tools . . . . .	....	79	....	45	35,419
Printing, bookbinding and papermaking machinery and parts . . . . .	....	34	....	35	1,548
Machinery and parts, n.o.r. . . . .	....	35	....	2	15,761
	Litres		Litres		
Wines, beers, spirits, table waters, etc. . . . .	....	37	....	34	1,605
Ale and beer in bottles	16.3	5	27.5	8	331
Whisky in bottles	11.8	23	10.3	19	190
Gin in bottles	2.1	2	0.3	3	97
Wines, spirits and beer, n.o.r. . . . .	....	7	....	7	490
	Pieces		Pieces		
Miscellaneous metal manufactures. . . . .	....	15	....	19	18,839
Needles, n.o.r.	2,440	6	1,947	6	156
	Quintals		Quintals		
Fruits, seeds and vegetables . . . . .	....	33	....	12	3,796
Fresh apples.	1.4	23	0.2	4	223
	Kg.		Kg.		
Hides, leather and other animal substances . . . . .	....	21	....	10	2,464
Sole leather	8.6	8	6.5	4	155
Leather, n.o.r. (including coloured). . . . .	....	9	....	....	679
Dyes, pigments, paints, and varnishes. . . . .	....	99	....	4	20,406
Oxide of cobalt . . . . .	....	73	....	3	143
Artificial indigo	45.3	25	....	....	2,693
Tobacco . . . . .	....	7	....	3	5,917
Tobacco, prepared in tins or packages	78.0	7	39.0	3	54
Sundry . . . . .	....	509	....	297	37,628
Living animals (from Canada, mostly dairy cattle) . . . . .	....	26	....	33	315
Building materials, n.o.r. . . . .	....	32	....	1	378
	Pairs		Pairs		
Rubber boots and shoes (including soles and heels)	12	3.4	3.2	0.8	848
	Pieces		Pieces		
Rubber tires for motor vehicles.	16.2	363	10.2	191	....
Rubber inner tubes for motor vehicles	11.4	32	5.7	14	....
Musical instruments and parts or accessories, n.o.r. . . . .	....	13	....	12	....
Imitation leather and oilcloth. . . . .	....	5.9	....	4.7	....
Toys and games . . . . .	....	4.3	....	4.1	....
Sporting requisites . . . . .	....	3.6	....	3.6	....
Postal parcels, n.o.r. . . . .	....	5.1	....	3.3	....
Miscellaneous goods and sundries, n.o.r. . . . .	....	7.3	....	8.9	....

* Not in thousands.

TIMBER

A review of China's timber trade with special reference to Canada, entitled "Central China Timber Market," was published in *Commercial Intelligence Journal* No. 1667 (January 11, 1936), so that detailed comment need not be repeated here. It will be noted, however, that timber products now constitute

Canada's leading export group to China. Sales of sawn lumber fell off somewhat due to a decline in new building construction resulting from the depression. The notable increase in sales of railway sleepers reflects the activity in railway construction during the year.

PAPER AND PULP

It is this group which more than any other has been responsible for the maintenance of Canadian exports to China during the past two difficult years in spite of the great decline in Dominion wheat sales. Canadian newsprint, practically unknown in China before 1930, now dominates the market, and constitutes at present the most important single Canadian export to this country.

As shown in the table, sales of Canadian newsprint increased by nearly 60 per cent in 1935 as against 1934, amounting to 457,000 quintals, or 40 per cent of China's total consumption. Other important suppliers in 1935 were: Germany (153,000 quintals), Sweden (129,000), United States (125,000), Norway (105,000), Japan (92,000), Finland (48,000), and Soviet Russia (25,000 quintals). There was a tenfold increase in imports of kraft paper from Canada, but imports of wood-pulp declined somewhat.

(China's paper trade was reviewed in some detail in a recent report from this office entitled "Central China Paper Trade" which appeared in *Commercial Intelligence Journal* No. 1673: February 22, 1936.)

CEREALS AND FLOUR

As noted already, imports of wheat from Canada practically ceased during the year under review. Imports of Canadian flour, however, increased from 110,000 quintals in 1934 to 131,000 quintals in 1935, or nearly 16 per cent, in spite of the fact that China's total flour imports fell from 596,000 quintals in 1934 to 510,000 quintals in 1935, or about 15 per cent. Australia was the leading supplier of flour during the year (183,000 quintals), followed by the United States (173,000 quintals), Canada (131,000), and Japan (22,000).

(A detailed review of China's flour trade will appear in an early issue of the *Commercial Intelligence Journal*.)

METALS AND ORES

Imports from Canada under this heading declined greatly in 1935 due chiefly to German competition in aluminium, and pipes and tubes, which Canada, like other countries, found it impossible to meet.

The Dominion continued as the leading supplier of lead, sales amounting to 26,700 quintals out of a total import of 40,300 quintals in 1935, as against 33,100 quintals out of a total of 45,700 quintals in 1934. Other leading suppliers in 1935 were the United States (7,300), Australia (3,100), and Great Britain (1,600) in that order.

Total imports and exports from Canada of zinc increased appreciably, the figures for 1935 being as follows: total, 51,100 quintals (Belgium 15,400, Canada 14,000, United States 5,000, Germany 3,500, Great Britain 3,400, and Japan 800) as against 1934: total, 37,100 quintals (Belgium 15,400, Canada 8,600, Germany 3,800, Great Britain 3,400, United States 2,100, and Japan 1,600).

FISHERY AND SEA PRODUCTS

Imports from Canada under this heading consist almost entirely of dry salt herring from British Columbia. Sales of this commodity have suffered greatly during the past two or three years from the lessened purchasing power of the Chinese consuming masses and from exchange difficulties, but it is hoped that some improvement will take place in the current year.

CHEMICALS AND PHARMACEUTICALS

China's total imports from Canada under this heading, amounting in all to 111,000 g.u. in 1935 as against 106,000 g.u. in 1934, are a very small proportion of her total imports, which were 20,329,000 g.u. in 1935 as against 21,171,000 g.u. in 1934. The Dominion's sales consist almost entirely of artificial fertilizers, chiefly sulphate of ammonia. Imports of the latter from Canada increased from 14,000 quintals valued at 86,000 g.u. in 1934 to 19,000 quintals valued at 97,000 g.u. in 1935.

(A review of China's import trade in fertilizers with special reference to Canada appeared, under the title of "Central China Market for Fertilizers," in *Commercial Intelligence Journal* No. 1669: January 25, 1936.)

Space limitation makes it impossible to comment here upon the remaining commodities listed in the table above, but detailed information regarding any of the items may be obtained by writing to the Canadian Trade Commissioner at Shanghai, and/or the Canadian Trade Commissioners at Hongkong and Tientsin.

CHINA'S EXPORTS BY PRINCIPAL COMMODITY GROUPS

(Statistics covering exports are given in Yuan dollars by the Customs Statistical Department, in contrast to the import figures which are given in gold units. The average value of the Yuan dollar in Canadian currency has been roughly as follows in each of the past three years: 1933, Can.\$0.26; 1934, Can.\$0.33; 1935, Can.\$0.36. A quick approximation of the value in Canadian currency of the figures quoted below for 1934 and 1935 may be obtained therefore by dividing by three.)

As noted at the beginning of this review, the upward trend in China's exports in 1935 was an encouraging feature of the year's trade, because exports had declined consistently each year, with the exception of 1933, since the commencement of the world depression in 1929. The total figures were 576 million dollars in 1935 as against 535 million dollars in 1934, an increase of 41 million dollars or slightly over 7.5 per cent. In the last month of the year the value of merchandise exports actually exceeded the value of merchandise imports.

This situation has not occurred for many years. Larger purchases by the United States—136 million dollars in 1935 as against 94 million dollars in 1934—were chiefly responsible for the improvement, which illustrates the influence which that enormous market can have upon the trade of other countries. Shipments to France, Germany, Japan, Italy, and Canada also increased appreciably, but to most other countries they declined.

In so far as commodities are concerned, the export improvement was due to larger shipments of the following commodities: raw cotton, ramie, silk, sheep's wool, bristles, eggs and egg products, intestines, wood oil and peanut oil, peanuts, and sesamun seed, wolfram ore, antimony, and tin. The year's exports by chief commodity groups are shown in the following table compared with 1934, figures being in millions of Yuan dollars. The notes in parentheses have been added to indicate the most important commodities making up each group:—

	1934	1935
	In Millions of Yuan Dollars	
Total exports	535	576
1 Textile fibres (chiefly raw cotton and raw silk)	75	97
2 Animals and animal products—not including hides, leather, skins, furs, and fishery and sea products (chiefly egg products, pig bristles and intestines, and feathers)	78	80
3 Oil, tallow and wax (chiefly wood oil and peanut oil)	32	57
4 Seeds (chiefly peanut products and sesamun seed)	28	49
5 Ores, metals, and metallic products (chiefly tin, tungsten, antimony and pig iron)	31	44
6 Yarn, thread, plaited and knitted goods (chiefly cotton yarn, embroideries, linen, etc.)	54	42
7 Tea	36	30
8 Sundry list (strawbraid, matting, hats, hairnets, curios, etc.)	30	25

	1934	1935
	In Millions of Yuan Dollars	
9 Hides, leather, skins and furs	29	24
10 Cereals and cereal products (chiefly bran, cotton-seed cake and groundnut cake)	16	19
11 Piece-goods (chiefly silk, and cotton, piece-goods)	31	19
12 Medicinal substances and spices	10	9
13 Tobacco	9	9
14 Fuel (chiefly coal for ships' bunkers)	8	8.6
15 Fruits, fresh, dried and preserved	9	8.5
16 Vegetables	9	8.3
17 Other textile products (chiefly woollen carpets)	9	7.7
18 Other vegetable products	6	6.2
19 Chemicals and chemical products (chiefly lacquer and salt)	6	5.4
20 Beans and peas	7	5.3
21 Paper	6	4.8
22 Stone, earth, sand, and manufactures thereof, including chinaware and enamelledware	3	3.3
23 Fishery and sea products	3	3.1
24 Bamboo	2	2.5
25 Dyestuffs, vegetable	2	2.3
26 Printed matter	2	2.2
27 Timber, wood and manufactures thereof	2	1.9
28 Spirituous beverages	1	1.0
29 Glass and glassware	0.31	0.25
30 Rattan	0.12	0.11
31 Sugar	0.01	0.002

CHINA'S EXPORTS TO CANADA

(Unless otherwise stated all values are given in Yuan dollars.)

As noted earlier in this report, China's exports to Canada, according to the Chinese Customs statistics, were valued at Yuan \$4,198,000 in 1935 as against Yuan \$3,545,000 in 1934, or, at the average rates of exchange prevailing in those two years (Can.\$0.36 in 1935 and Can.\$0.35 in 1934), Can.\$1,511,000 in 1935 as against Can.\$1,241,000 in 1934. The gain of Yuan \$653,000 was more than accounted for by a notable increase in shipments of peanut oil.

Canada's principal imports from China are as follows in the order of their importance in the year under review: peanut oil and wood oil (tung oil); linen, silk, and lace goods; walnuts; peanuts; silk; skins, mats, and rugs; metals and metallic products (chiefly brassware); tea; and woollen carpets and rugs; followed by a considerable range of sundry products such as fibre hats, hairnets, curios, lacquerware, Chinese foodstuffs and medicines.

The table below shows in detail the exports to the Dominion of the ten leading groups in 1935 as compared with 1934. It must be emphasized again that the figures given do not represent by any means Canada's total purchases from China. The latter may be in reality two or three times as great due to imports of wood oil, peanut oil, silk, tea, etc., via the United States, the United Kingdom, and/or Hongkong.

ONE OF THE PROBLEMS OF SINO-CANADIAN TRADE

One of the problems of Sino-Canadian trade is the disparity in *volume* of the products which Canada exports to, and imports from, China. For example, on a *weight* basis the leading commodities listed below, for which quantity figures are available, totalled in 1935 scarcely 10,000 tons (peanut oil 4,300 tons, wood oil 22 tons, walnuts 1,600 tons, peanuts 3,600 tons, brassware 45 tons, silk 42 tons, and tea 130 tons), or hardly enough to provide full cargoes for two moderate-sized freight vessels. On the other hand, exports of Canadian timber products alone in 1935 provided the equivalent of at least thirty full cargoes, while shipments of newsprint, which amounted to 50,000 tons, would have filled

six 8,000-ton steamers. Shipments of salt herring, flour, lead, and zinc would have filled several more such vessels.

The result is that cargo vessels have in most cases to return to Canada largely empty or seek cargoes on the China coast for other destinations. This makes the economical operation of direct freight services between British Columbia and China ports a matter of considerable difficulty.

China's Principal Exports to Canada

(One kilogram equals 2.2 pounds, one quintal 220 pounds (nine quintals equal roughly one short ton), and one metric ton equals 2,200 pounds or a little less than one long ton.)

	1934		1935	
	Quantity	Yuan \$	Quantity	Yuan \$
Total exports to Canada.. . . .	....	3,545	....	4,198
1. Oils .. . . .	....	370	....	1,060
	Quintals		Quintals	
Peanut oil	19,000	349	39,000	1,040
Wood oil	500	21	200	19
2. Yarn, thread, pleated and knitted goods ..	....	1,045	....	797
Drawn thread work .. . . .	....	376	....	201
Cross-stitch work and embroideries other than silk .. . . .	....	416	....	371
Embroideries, silk .. . . .	....	143	....	72
Lace and trimmings .. . . .	....	115	....	153
3. Walnuts .. . . .	....	899	....	790
Walnut kernels	14,800	867	12,700	748
Walnuts in shell	1,400	31	1,700	42
4. Peanuts .. . . .	....	291	....	407
In shell	2,700	21	2,000	20
Shelled	31,200	270	30,400	383
5. Textile fibres (silk) .. . . .	....	14	....	334
	Kg.		Kg.	
Raw white silk	1,800	13	37,500	330
	Pieces		Pieces	
6. Hides, leather, skins and furs .. . . .	....	107	....	198
Skins, lamb, dressed or undressed .. .	7,100	41	4,500	13
Skin mats and rugs, n.o.r.	24,900	58	86,000	146
	M. Tons		M. Tons	
7. Coal*	9,070	88	15,600	117
8. Ores, metals and metallic products .. . .	....	61	....	111
	Quintals		Quintals	
Brassware	176	18	403	42
Metals and metallic products, n.o.r. ..	....	41	....	25
9. Tea .. . . .	....	290	....	85
Black tea, Congon	2,000	118	622	31
Black tea, other	593	39	85	13
Green tea, Gunpowder	512	65	228	23
Green tea, Young Hyson	389	60	80	13
10 Woollen carpets and floor rugs	130	52	158	65

* Entirely bunker coal taken on at ports in China by ships returning to Canada.

Other exports were as follows, the figures in parentheses referring to 1934:—

Medicinal substances and spices, chiefly *cassia lignea* (cinnamon), \$18,000 (\$13,400); other vegetable products, \$19,800 (\$12,200); timber, wood and manufactures thereof, \$8,600 (\$7,700); stone, earth, sand and manufactures thereof (chiefly chinaware and enamelware), \$17,100 (\$27,700); hats, buntal fibre, 16,600 pieces, \$20,200 (25,020 pieces, \$34,100); hats, hemp fibre, 29,500 pieces, \$17,700 (86,600 pieces, \$48,400); curios and antiques, \$14,100 (\$9,500); hairnets made of human hair, 20,100 gross, \$34,600 (17,600 gross, \$30,500); lacquerware, plain or fancy, \$3,300 (\$1,200); jewellery, not including goldware and silverware, \$7,800 (\$11,700); postal parcels n.o.r., \$1,022 (\$1,247); sundries, n.o.r., \$20,046 (\$25,300).

POINTS FOR EXPORTERS TO CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, March 14, 1936.—China proper (excluding Manchuria) may be divided roughly into three main areas—North, Central, and South China—of which Tientsin, Shanghai, and Canton are respectively the chief commercial distributing centres. Central China is generally recognized as consisting of the provinces of Kiangsu, Chekiang, Fukien, Anhwei, Honan, Hunan, Hupeh, Kiangsi, and Szechwan, covering an area of approximately 687,259 square miles. The area of the whole of China is estimated at approximately 1,560,402 square miles.

No exact figures are available regarding the population of China. One estimate places the total, excluding Manchuria, at approximately 450,000,000 in 1930, and the total for the provinces embracing Central China at around 260,000,000.

CLIMATE

The seasons in Central China are similar to those in Canada, although in Shanghai and the Yangtze Valley intense heat and high humidity is experienced from June to September. The winters are somewhat similar to those of England, being raw and rainy during the months of January, February, and March.

INDUSTRIES

There is, comparatively speaking, little manufacturing in Central China, the chief occupation of the people being agricultural production, the main crops consisting of rice, tea, and silk cocoons. Industrial development has so far been centred almost entirely in Shanghai. The most important industries include cotton, silk, cigarette manufacturing, and flour milling, followed by a variety of light industries. The latter have received a stimulus in recent years following the increases which have taken place in the Chinese customs tariff, and while in many instances the locally produced goods are inferior to the imported article, cheaper prices made possible by lower labour costs and the protection afforded by customs duties has had the effect of shutting out a number of imported manufactured products.

FOREIGN CAPITAL INVESTMENT

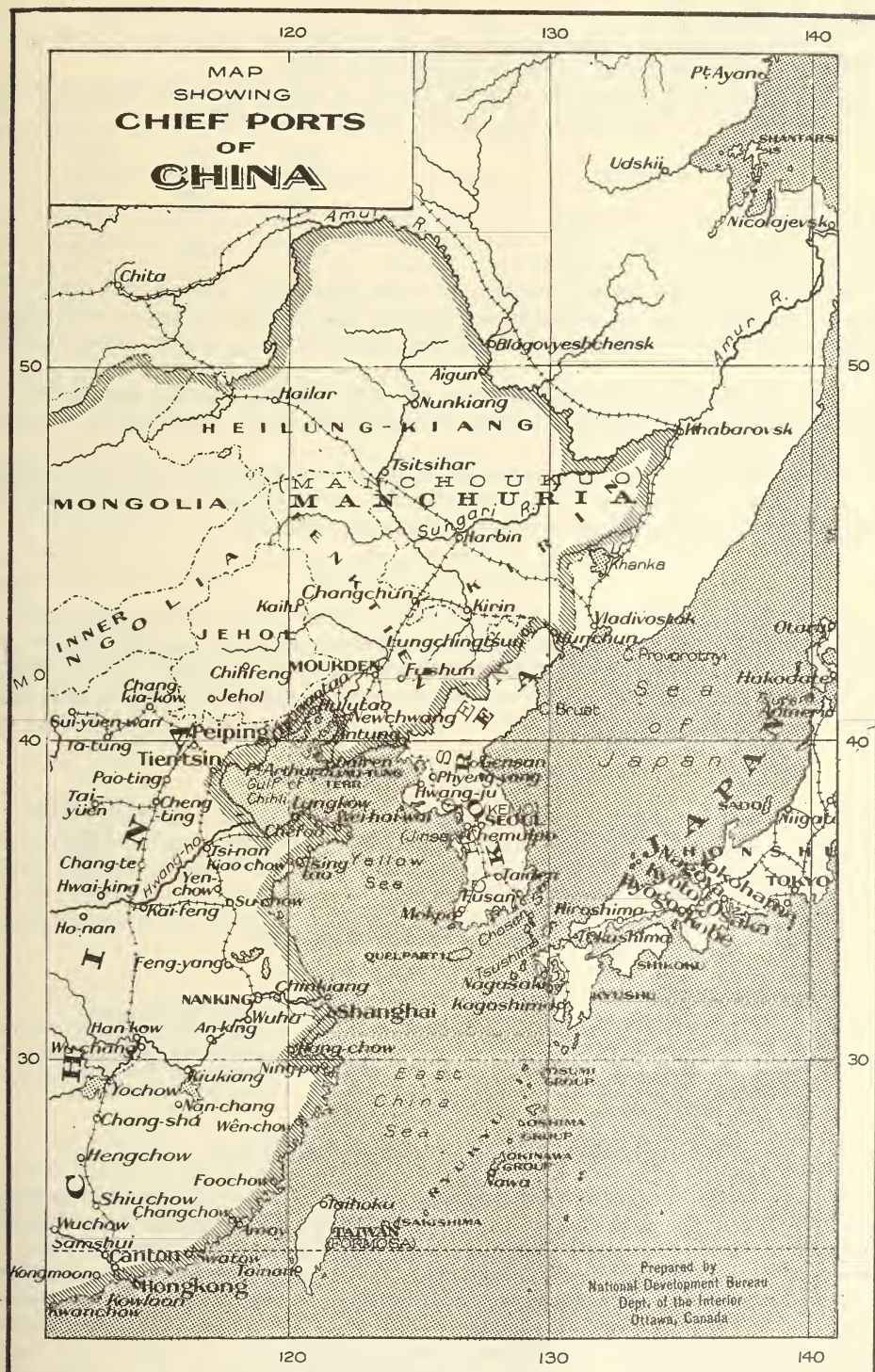
Foreign capital plays an important role in the economic life of China. No definite figures are available covering foreign investments in Central China, but one estimate made in 1930 placed the total foreign capital in China (including Manchuria) at over £600,000,000 sterling, of which approximately 36 per cent was British. Japanese capital accounted for 35 per cent of the total, but as over half of the Japanese investments were in Manchuria in 1930, in China proper British investments are by far the most important and cover a wide range of industries, including railways, shipping, mining, miscellaneous industries, Government loans, etc. United States capital in Central China is particularly interested in public utilities.

FOREIGN TRADE

The following figures indicate the extent of China's international trade from 1932 to 1934 inclusive:—

	1932	1933	1934
	Millions of Chinese Dollars		
Imports	1,524	1,345	1,030
Exports	569	612	535
Total	2,093	1,957	1,565

Until 1933 the official customs statistics showing China's foreign trade included Manchuria. In the table above, however, the Manchurian figures have



been deducted from the 1932 totals in order to make the latter comparable to the 1933 and 1934 figures.

The official average value for the year of the Chinese dollar was U.S.\$0.3379 in 1934 as against \$0.2619 in 1933 and \$0.2158 in 1932.

The relative importance of Central China is reflected in the figures given below for the port of Shanghai, the leading city of this territory:—

	1932	1933	1934
	Millions of	Chinese	Dollars
Imports	795	728	596
Exports	246	315	272
Total	1,041	1,043	868

The chief imports to this market, by main groups, are metals and ores, raw cotton, rice, kerosene oil, fuel and lubricating oil, machinery, paper and paper products, chemicals, wheat and flour, cotton manufactures, timber, tobacco, and sugar.

The principal supplying countries are the United States, Japan, Great Britain, Germany, Dutch East Indies, British India (including Burma), French Indo-China, and Siam.

Exports from Central China consist mainly of egg and egg products, raw silk, tea, antimony ore, hides and skins, cotton yarn, wood oil, sesame seed oil, and a wide range of brassware, lacquerware, embroidery lines, etc.

DISTRIBUTING CENTRES

In addition to being an entrepôt for the Yangtsze Valley and taking care of transshipments to outports such as Nanking, Hankow, Foochow, and smaller cities, Shanghai is recognized as the commercial and financial centre of China, being credited with handling in 1934 over 57 per cent of the total imports and just under 51 per cent of the total exports.

DISTANCES FROM CANADIAN PORTS

	Nautical Miles
From Vancouver to Shanghai	5,260
From Victoria to Shanghai	5,180
From Prince Rupert to Shanghai	4,795
From Montreal via Panama to Shanghai	11,975

CHINA COASTAL DISTANCES BY SEA

	Nautical Miles	
Shanghai to Tientsin	745	
Shanghai to Tsingtao	397	tranship via Shanghai
Shanghai to Hankow	600	tranship via Shanghai
Shanghai to Amoy	596	tranship via Hongkong
Shanghai to Swatow	726	tranship via Hongkong
Shanghai to Canton	943	tranship via Hongkong
Shanghai to Hongkong	853	

OPPORTUNITIES FOR CANADIAN PRODUCTS

The outlet for a number of manufactured articles in steady demand in more modernized countries is restricted in China to the relatively insignificant foreign population in such centres as Shanghai, Nanking, Hankow, and Foochow, and to the wealthier Chinese living in these cities. The comparatively low purchasing power of the masses of the population also limits the demand for many manufactured products which would be considered in the luxury class. The chief outlet for Canadian products lies therefore in raw materials and foodstuffs, the more important of which are newsprint and wood-pulp, Douglas fir lumber and logs, hemlock logs, salt herring, wheat (when competitive), flour, aluminium, lead,

cobalt oxide, sulphate of ammonia, pipes, tubes and fittings, automobile tires, dairy cattle, whisky, and canned milk. However, in spite of the limitations referred to, a number of miscellaneous articles with a considerable aggregate value are regularly exported to this market from Canada, and with the continual development of China along more modern lines, this territory should provide a substantial outlet for a wide variety of Canadian products.

CUSTOMS TARIFF, AND IMPORT REQUIREMENTS

The Chinese Maritime Customs Tariff consists of both specific and ad valorem duties. Most imports are now dutiable. With the latest general revision of rates which took place in July, 1934, it may be said that in general duties are high and in some cases prohibitive. There are no preferences granted to any country. Information respecting Chinese consular invoice requirements and other trade regulations applicable to imports may be obtained on application to the Department of Trade and Commerce, Ottawa.

Shipping marks and addresses must be legibly written, preferably in block letters. Packing lists must be carefully prepared and agree in every particular with shipping invoices. Instructions issued by Chinese importers must be followed to the letter, otherwise serious claims may arise through failure of Chinese buyers to accept delivery.

Catalogues and advertising matter, including descriptive literature, are admitted free of duty. Samples in reasonably small quantities are also allowed into China duty free.

CURRENCY

The recognized medium of currency used in Shanghai is the Chinese dollar, which is an inconvertible paper unit. It has no official par value, but since November 4, 1935, has been stabilized by the Nanking Government at approximately 29 $\frac{3}{4}$ cents United States currency.

WEIGHTS AND MEASURES

In 1929 China adopted for eventual use the metric system, and in 1934 this system was introduced throughout the Chinese Maritime Customs for statistical and other purposes. While so far it is not compulsory for goods shipped to China to be marked and invoiced according to the metric system, in order to avoid inconvenience and delay it is recommended that exporters adopt this system.

LANGUAGE

Broadly speaking, English is the language mainly employed in handling the international trade of China, which is still principally carried on by British, American, German, and Japanese firms in the chief distributing centres in this territory.

POSTAGE

All Chinese post offices participate in parcel post service, postage covering entire inland transmission. In the case of certain post offices in Western China, charges for internal transmission are collected from the addressee. All parcels must be strongly wrapped. The letter rate of postage from Canada to China is 5 cents for the first ounce and 3 cents for each additional ounce. Letters with deficient postage are surcharged double the deficient postage before delivery is made. Care should be taken not to send dutiable articles by letter post.

QUOTATIONS

Quotations should be c.i.f. Shanghai. Some firms will consider f.o.b. sea-board prices, but generally speaking factory quotations are of little value, as it

is practically impossible for importers to estimate inland freight rates. It should be clearly indicated whether quotations are net or include selling commission, discounts, etc.

The usual practice when ordering goods is for the Chinese buyer to place his order with a foreign or Chinese import firm. A contract is signed by both parties for every order, including clearly detailed specifications stating price, quantity, quality, size, measurement, colour, weight, pattern, packing, and date of shipment, or according to sample. The importer then sends an indent to the exporter, and should the price be accepted, the Chinese buyer's contract is confirmed. Even a slight discrepancy in filling orders may involve the exporter and the importer in unpleasant correspondence and loss through claims, especially if market conditions are adverse.

While the above system of importing is in general use when dealing with foreign firms, the channels of trade in this market are undergoing a definite change, and it is becoming increasingly evident that most exporters abroad will eventually have to deal to an increasing extent direct with Chinese import merchants and/or agents, just as in the case of Japan they now have to deal almost exclusively with Japanese firms.

TERMS

Up to the present there are no mercantile credit agencies in China organized on the same lines as those operating in Canada and elsewhere. Considerable care should therefore be exercised in granting credits to Chinese firms.

A number of products are exported to this territory only on irrevocable letter of credit, and such terms are to be commended when possible. Many recognized importers, however, insist on what is known as an "authority to purchase," which in effect means that their bank in China authorizes the Canadian bank through which the business is being transacted to pay the exporter before shipment. There is, however, in this case recourse on the exporter if the buyer ultimately refuses to take up the documents at this end. A considerable amount of business is also done on sight draft against documents at port of entry. This policy is only recommended after making the fullest inquiries regarding the importer's reliability. Competition in many lines during recent years has resulted in the granting of more liberal terms, and this obviously applies more particularly to the introduction of new merchandise. Consignment shipments in general are to be avoided.

Among the principal foreign banks which maintain offices in New York and San Francisco are the Hongkong and Shanghai Banking Corporation; the Chartered Bank of India, Australia, and China; the Chase Bank and the National City Bank of New York, all of which act as correspondents in China for Canadian chartered banks.

TRADE-MARKS AND PATENTS

As no final patent law has yet been promulgated, there is practically no protection for foreign patents, although certain benefits similar to patent rights may be obtained by Chinese citizens. Therefore the only recourse open to Canadian firms wishing to protect their rights in this market is to consult a firm of patent attorneys in Shanghai. Trade-marks should be registered through the Trade-marks Bureau, but this should in all cases be arranged by Shanghai solicitors specializing in this work. The names of recommended solicitors may be obtained on application to the Canadian Trade Commissioner, Shanghai.

ADVERTISING

Owing to the difficulties presented by the Chinese language plus the mixture of nationalities in Shanghai, the largest single consuming centre in Central China, advertising suitable for Canada is often useless in this market. It is therefore

advisable that any advertising campaign should be directed by the exporter's local representative in conjunction with a local advertising agency familiar with the psychology of the population.

COMMERCIAL TRAVELLERS

Commercial travellers may visit Shanghai for business purposes without restriction as to licences, etc., but must have their passports viséd by a Chinese consul.

REPRESENTATION

The import trade of Shanghai is handled by branch offices of foreign manufacturers, by importers who purchase direct and also in some cases act as exclusive agents, by agents selling on commission with or without accepting financial responsibility, and, lastly, through indent houses in Europe and the United States acting as buying agents for Shanghai firms.

In addition to the ordinary commercial requirements of this market, various foreign organizations, such as public utility companies, etc., purchase substantial quantities of goods, but wherever possible such orders are sent through their head offices, the only local purchasing being for goods either made in this country or for some reason more conveniently bought in China instead of abroad.

While the most effective method of distribution could generally be obtained through a branch sales organization, this could only be supported by large-scale operations. On the whole therefore, keeping in mind the growing importance of Chinese firms in the import trade of this market, the most satisfactory representation for Central China is probably through a resident agent selling on a commission basis, as the majority of the established importers usually have more lines already than they can do justice to and are consequently not interested in the introduction of a new product.

DIRECT SHIPPING FACILITIES FOR CANADIAN EXPORTERS

From Vancouver and Victoria—

Canadian Pacific Steamships—Sailing every two weeks.

Tacoma-Oriental Line—Sailing monthly.

Blue Funnel Line—Sailing monthly.

Ocean Shipping Company—Sailing monthly.

Dollar Line—Sailing from Victoria every two weeks.

Average time from British Columbia ports to China ports, seventeen to twenty-one days.

From Montreal in summer and Halifax in winter—

Silver-Prince Line—Approximately every two weeks.

From Montreal in summer and Saint John in winter—

Canada-Far East Line—Occasional sailings.

Additional sailings from the Atlantic via the Panama Canal are also available ex New York and Boston. Average time, forty-one days.

INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners, resident in territories where exchange control is in force, are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

INDUSTRY AND PRODUCTION IN NETHERLANDS INDIA IN 1935

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, February 5, 1936.—Java is probably the most completely cultivated land area in the world, over 62 per cent being devoted to productive purposes. About two-thirds of the value of the country's exports in 1935 came from agriculture as compared with three-quarters in 1928. Roughly 47 per cent of the agricultural exports originate in Java.

As the country became colonized, European estates produced more and more of the country's exports, until by 1898 they controlled 90 per cent by value of the agricultural items. The tendency since the beginning of the twentieth century, however, has been in the opposite direction, and by 1933 the estate share had fallen to 59 per cent. The trend will probably continue until the estate share is considerably smaller than it is to-day.

Following is a summary of the leading export industries, which it will be noticed are chiefly agricultural:—

SUGAR

The improved outlook for this commodity at the end of the year has produced more optimism than any other development in the past twelve months. Surplus stocks of about 3,000,000 tons in 1933 kept prices depressed. By November 1, 1935, these had been reduced to 1,300,000 tons, which could be considered a normal carry-over.

Large sales at fair prices in 1935 have produced a situation where a number of mills are justified in reopening, their need for new factory equipment producing a minor boom in the machinery trade. Statistics indicate that imports of machinery and tools for the year will be about 15 per cent higher than for 1934, and imports of iron and iron alloys about 34 per cent higher. It is improbable that the sugar industry will regain its former importance, chiefly because of the expansion of production in hitherto non-producing areas, but now that the industry has been placed on a basis more commensurate with world requirements, profitable operations are expected.

Sugar exports to the Netherlands for the first eleven months of 1935 at 400 tons are only 2 per cent of what they were for the same period the year before. Similarly, exports to the United Kingdom declined from 40,300 to 25,700 tons. On the other hand, shipments to Japan and Formosa, Siam, British India, Penang, Singapore, and New Zealand all showed increases. The improvement in the sugar industry which is expected in 1936 cannot fail to have a beneficial effect on the entire commercial community.

RUBBER

The problem of restricting production of rubber in Netherlands India was complicated by the extensive native interests, their complete lack of the co-operative sense, and their low standard of living. Estate rubber was controlled by a quota system that was easily enforced. The extent of native cultivation being unknown, restriction was attempted by placing an export tax on native rubber to vary with the price of the commodity and to leave the producer such a small return for his labours that there would be little incentive to continue or expand tapping. This scheme was not successful, however, and irrespective of mounting export duties, shipments continued to grow till the Government, in order to honour their agreements, were obliged to hold back some of the estate rubber. This was done by buying from the estates a portion of their licences to export. The fallacy of such a policy was recognized, but the step was only

taken to give the Government time to take census of native trees and work out a scheme of individual restriction for them as well. The International Rubber Control Committee have increased the 1936 quota for Netherlands India by 57,000 tons with a provision for additional quotas in 1937 and 1938 of 53,000 and 52,000 tons respectively. It is intended to bring these increases to the advantage of the basic quota allotted to native rubber.

Although prices are higher than before restriction, estate profits are not necessarily improved. The costs of production have mounted with limitation of output on European estates, whereas the bulk of the profits from native rubber has been taken by the Government in the export tax. The fact that the Netherlands Indian allotment for 1936 has been increased means that the estates will not be asked to restrict their tapping to the same extent as they were in 1935 and, providing prices can be maintained, the outlook for rubber is not discouraging.

COFFEE

The local coffee culture fared very poorly in 1935 due to partial crop failure in certain districts and to even lower prices than obtained in 1934. Exports for the first eleven months amounted to 77,704 tons compared with 78,526 tons the year before, values during the same period falling from \$14,000,000 to \$11,670,000. The price declined from \$16.20 per 100 kilograms at the beginning of the year to \$11.70 in November.

Since 60 per cent of the Netherlands Indian industry is in the hands of the natives, even for local sale natives are obliged to accept extremely low prices. Prospects for 1936 are improved by the trade treaty between Netherlands and the United States, which places Netherlands Indian coffee on the free list, a concession hitherto only granted to Brazil, Colombia, and Haiti.

COPRA

Netherlands India is second only to the Philippines as a supplier of copra. Local production, which is 100 per cent in the hands of the natives, made a more marked recovery in 1935 than any of the other agricultural products. Exports are estimated at 505,000 tons in 1935 as compared with 417,470 tons in 1934. The price was \$3.70 per 100 kilos in January and \$4.85 in December as compared with \$3.15 in December, 1934. As copra is the big native cash crop, the favourable trend has resulted in a marked increase in the purchasing power of the natives in the producing districts.

TOBACCO

The position of tobacco is better than it was a year ago. The 1934 crop realized about \$3,000,000 more than the 1933 one, and while the outcome of the 1935 crop will not be known until the Amsterdam auctions are held later in the year, dealers are optimistic partly because of the favourable trade agreements concluded with the United States and partly because statistics show that the weight of tobacco exported in the first eleven months of 1935 at 47,500 tons was 12 per cent higher than for the corresponding period of 1934.

TEA

Although Netherlands Indian exports of tea were 3 per cent higher at 59,900 tons for the first eleven months of 1935 than for the corresponding period of last year, prices fell and receipts declined from \$27,041,000 to \$22,585,000. The International Tea Committee have set the export quota for the first quarter of 1936 at 17½ per cent restriction. It is estimated that 3½ per cent of the world population consumes about 64 per cent of the tea exported, and to improve this situation is the purpose of a tea propaganda bureau which is being jointly operated by the

restrictionist countries. At present a small export tax raises the funds to support these efforts, and with \$1,000,000 to be spent in America alone next year, definite results are expected.

TIN

Both the weight and value of tin exports increased in 1935 as compared with 1934. For the eleven months' period January-November the export of tin and tin products from Netherlands India amounted to 25,499 tons (\$21,730,000) as compared with 21,302 tons (\$20,000,000) the year before. Production quotas established for the four quarters of 1935 were 40 per cent, 45 per cent, 70 per cent, and 80 per cent respectively of the standard tonnages for 1929. The International Tin Committee has set the tin production quota for the first quarter of 1936 at 90 per cent of the standard tonnage. The steady increase has been necessary to meet the rising demand of the canning and automobile industries in the United States. The demand for the former is expected to exceed the previous peak established in 1929, largely because of the success of tin as a container for beer.

MINERAL OIL

The volume of petroleum products exported from Netherlands India in the first eleven months of 1935 at 4,666 metric tons was 3 per cent higher than for the same period of 1934. The welfare of the oil interests does not have an important effect upon the condition of the country, the industries are relatively local, employment is not large, and the income is generally distributed abroad. The prices for oils and derivatives during the year were about 15 per cent lower than in 1934.

TRADE

Total imports of Netherlands India in 1935 were valued at \$182,300,000 as compared with \$190,800,000 in 1934 and \$777,300,000 in 1929. Exports amounted to \$309,700,000 as against \$324,900,000 in 1934 and \$992,000,000 in 1929. The total trade movement declined to \$492,000,000 from \$515,700,000 in 1934 and \$1,769,300,000 in 1929. This means that the value of trade for 1935 was only 29 per cent of what it was seven years ago, but the 11,005,000 tons recorded for 1935 was 81 per cent of the 1929 figure. The fall in volume is largely due to smaller imports, the volume of exports in 1935 at 9,367,000 tons being 92 per cent of what they were in 1929 and 364,000 tons larger than they were in 1934. The favourable balance of trade amounted to \$127,400,000 or about \$6,700,000 less than in 1934.

Smaller imports are chiefly due to decreases in purchases of soya beans, canned and fresh butter, various textiles and clothing, kerosene, and automobile and bicycle tires. The items to show the greatest declines are those affected by restriction measures, so that the trend does not prove a falling off in purchasing power but indicates a change from foreign to domestic suppliers. Increases were shown in the imports of rice, benzine, motor cars, and machinery.

Export products to show increases in both volume and value in 1935 included copra, tin and tin products, fibres, palm oil, kapok, maize, coconut oil, and damar. Those increasing in volume but not in value included oil and its products, tea, pepper, and tapioca. Losses compared with 1934 were shown by the exports of rubber, coffee, and sugar, except residues and molasses. The statistics indicate that even though prices tended to improve for certain of the export products, the gross returns to the country were lower than for 1934, so that less was available for the purchase of imports. Nevertheless, the position of the leading enterprises is definitely sounder than it was at the beginning of the year and gives grounds for the expectation of improvement in 1936.

TRANSPORTATION

RAILWAYS

The earnings of state and privately owned railroads continued unsatisfactory. Receipts from passenger traffic for the first ten months of 1935 were

down in every important railroad in the territory, and only one, the Deli Railroad Company of Sumatra, was able to show an increase in receipts from goods traffic compared with the year before. Adjustments in both passenger and freight rates have a tendency to increase business, while competition by gasoline and Diesel trucks has been curbed by higher excise duties on fuel.

AIRWAYS

It is planned to start an air service to Manila via Macassar, to connect there with the American clipper ships. Until arrangements are completed, however, it is of no advantage for Western Canadian firms to route their mail via clipper ships, as the service between Manila and Java is so infrequent that letters actually take longer than if routed via air mail across Europe and Asia.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Australian Duty on Hoop Iron

Application of the deferred Australian duty on hoop iron other than 12-gauge and thicker (Birmingham sheet gauge) has been further postponed from April 1, 1936, to July 1, 1936. At present such hoop iron is free of duty under the British preferential tariff and pays 15 per cent ad valorem under the general tariff. The deferred duties are 10 per cent ad valorem under the British preferential tariff and 22½ per cent ad valorem plus 70s. per ton (2,240 pounds) under the general tariff, with provision for increasing duties as the depreciation of Australian currency in relation to British sterling may be lessened.

Customs Regulations Covering Shipments to Cuba

Mr. E. L. McColl, Canadian Trade Commissioner at Havana, writes under date April 6, 1936, that a circular dated March 4, issued by the Cuban Customs Department, calls attention to regulations governing the value of merchandise on consular invoices and the information required with respect thereto.

- (1) Invoices should state point of origin.
- (2) The terms of sale, whether at factory or shipper's warehouse, f.o.b. vessel at port of export or c.i.f. Cuban port, should be clearly stated.
- (3) In case there should not be a Cuban consular office at the exporter's place of shipment in Canada, it is to be so declared on the invoice.
- (4) The expenses which are to be either included in the invoice price or detailed separately are: packing, cartage, freight to port or shipside (unless included in a through bill of lading), wharfage, ocean freight, consular charges other than the regular consular fees, and, in general, all expenses and charges necessary to have the merchandise packed and ready on board the vessel or carrier on which it is to be exported.
- (5) The only form of discount admitted by the Cuban customs is that generally recognized by the trade as the standard wholesale discount. No other discounts or deductions will be allowed, such as commission, discount for cash payment, payment on a fixed date, payment on instalments with interest, distributors' discounts or discounts for job lots, remnants or damaged goods.
- (6) When, in the opinion of the customs officials, such expenses are not fully set forth, 5 per cent will be added to the declared invoice value in the case of shipments up to \$500 and 2½ per cent on invoices of over \$500.
- (7) It is prohibited to bill the shipping expenses and/or charges separately from the actual sales invoice; all such expenses, as aforementioned, must be included in the invoice. Infractors of this provision are liable to penalties.
- (8) The customs authorities require to ascertain the value and expenses of the shipment, whether the merchandise is dutiable on an ad-valorem or weight basis, as both consular fees and excise taxes are involved.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 20

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending April 20, 1936, with the official bank rate. Quotations for the week ending April 14, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 14	Nominal Quotations in Montreal Week ending April 20	Official Bank Rate
Austria	Schilling	.1407	\$.1884	\$.1882	3½
Belgium	Belga	.1001	.1701	.1700	2
Bulgaria	Lev	.0072	.0129	.0128	6
Czechoslovakia	Krone	.0296	.0417	.0417	3
Denmark	Krone	.2680	.2218	.2217	3½
Finland	Markka	.0252	.0219	.0219	4
France	Franc	.0392	.0662	.0663	5
Germany	Reichsmark	.2382	.4047	.4044	4
Great Britain	Pound	4.8666	4.9700	4.9675	2
Greece	Drachma	.0130	.0094	.0096	7
Holland	Guilder	.4020	.6828	.6820	2½
Hungary	Pengo	.1749	.2963	.2963	4
Italy	Lira	.0526	.0794	.0793	5
Jugo-Slavia	Dinar	.0176	.0230	.0230	5
Norway	Krone	.2680	.2496	.2495	3½
Portugal	Escudo	.0442	.0450	.0451	5
Roumania	Leu	.0060	.0076	.0075	4½
Spain	Peseta	.1930	.1373	.1373	5
Sweden	Krona	.2680	.2562	.2561	2½
Switzerland	Franc	.1930	.3277	.3276	2½
United States	Dollar	1.0000	1.0053	1.0053	1½
Poland	Zloty	.1122	.1894	.1896	5
Argentina	Peso (Paper)	.4245	.3313	.3311	—
Brazil	Milreis (Paper)	.1196	.0861	.0860	—
Chile	Peso	.1217	.0513	.0513	4½
Colombia	Peso	.9733	.5745	.5680	4
Mexico	Peso	.4985	.2791	.2792	4-5
Peru	Sol	.2800	.2501	.2501	6
Venezuela	Bolivar	.1930	.2564	.2564	—
Uruguay	Peso	1.0342	.8017	.8015	—
China (Shanghai)	Dollar	.....	.2991	.2991	—
Cuba	Peso	1.0000	1.0043	1.0043	—
Hongkong	Dollar	.....	.3267	.3267	—
India	Rupee	.3650	.3750	.3750	3
Japan	Yen	.4985	.2901	.2902	3.29
Java	Guilder	.4020	.6861	.6851	4
Siam	Baht (Tical)	.4424	.4554	.4551	—
Straits Settlements	Dollar	.5678	.5822	.5822	—
South Africa	Pound	4.8666	4.9637	4.9612	—
British Guiana	Dollar	1.0138	1.0350	1.0350	—
Jamaica	Pound	4.8666	4.9800	4.9775	—
Other British West Indies	Dollar	1.0138	1.0350	1.0350	—
Martinique	Franc	.0392	.0662	.0663	—
Guadeloupe	Franc	.0392	.0662	.0663	—
Australia	Pound	4.8666	3.9750	3.9740	—
Egypt	Pound (100 Piastres)	4.9431	5.0962	5.0962	—
New Zealand	Pound	4.8666	4.0075	4.0060	—
Argentina	Free	Free	.2760	.2760	—
Brazil	Free	Free	.0573	.0573	—
Chile	Free	Free	.0412	.0412	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The Canadian dollar moved lower during the third week of April in terms of all leading currencies, and gold shipments to New York increased. The French franc received further support from a short-term loan of approximately \$68,000,000 negotiated in Amsterdam. Monetary discussions between representatives of the United States and China revived speculative interest in silver. It was announced during the week that the gold inflow into the United States approximated \$1,650,000,000 in 1935 as compared with roughly \$1,000,000,000 in 1934. Besides investment capital it was believed that this sum included amounts for the replenishment of foreign bank balances, as well as the repatriation of considerable American capital.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—
Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Herring.....	226, 227	Santo Domingo, Dominican Republic.	Agency.
Codfish.....	228	Santo Domingo, Dominican Republic.	Agency.
Dried Codfish.....	229	Hamilton, Bermuda.....	Agency.
Smoked Kippers.....	230	Hamilton, Bermuda.....	Agency.
Salmon.....	231	San Juan, Puerto Rico....	Purchase.
Canned Salmon.....	232	Santo Domingo, Dominican Republic.	Agency.
Canned Salmon.....	233	Casablanca, Morocco.....	Agency.
Canned Fish.....	234	Amsterdam, Holland.....	Agency.
Canned Goods.....	235	Hamilton, Bermuda.....	Agency.
Sausages, Canned Ham, Salted Pork and Breast, Raw Ham, Bacon.	236	Casablanca, Morocco.....	Agency.
Eggs.....	237	Hamilton, Bermuda.....	Agency.
Powdered Milk.....	238	Casablanca, Morocco.....	Agency.
Soda Biscuits.....	239	Georgetown, British Guiana.	Agency.
Buckwheat Honey for the Confectionery Trade.	240	Steenwijk, Holland.....	Purchase.
Evaporated Apples.....	241	Amsterdam, Holland.....	Agency.
Potatoes (Fresh Seed).....	242	San Pedro de Macoris, Dominican Republic.	Agency.
Semolina.....	243	Shanghai, China.....	Purchase.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Smoking Tobacco.....	244	Hamilton, Bermuda.....	Agency.
Newsprint.....	245	Sao Paulo, Brazil.....	Agency.
Newsprint.....	246-248	Rio de Janeiro, Brazil.....	Agency.
Wood-pulp.....	249	Sao Paulo, Brazil.....	Agency.
Wood-pulp.....	250-252	Rio de Janeiro, Brazil.....	Agency.
Western Hemlock Broom Handles.....	253	Birmingham, England.....	Purchase or Agency.
Insulating Board and Veneers...	254	Casablanca, Morocco.....	Agency.
Lumber and Plywood.....	255	Amsterdam, Holland.....	Agency.
Sectional Wooden Houses.....	256	Casablanca, Morocco.....	Agency.
Patent Leather, Glazed Kid, Box Calf.....	257	Casablanca, Morocco.....	Agency.
Rubber Products.....	258	Duivendrecht, Holland....	Agency.
Steel Forming for Casting Con- crete.....	259	Port of Spain, Trinidad...	Purchase.
Steel Tubular Scaffolding.....	260	Port of Spain, Trinidad....	Purchase.
Ores and Metals.....	261	The Hague, Holland.....	Agency.
Ferro-alloys.....	262	Glasgow, Scotland.....	Purchase or Agency.
Gilsonite.....	263	Paris, France.....	Purchase or Agency.
Carbonate of Magnesium.....	264	Paris, France.....	Purchase or Agency.
Chromium Acid for Plating Work	265	Soestdijk, Holland.....	Purchase.
Chemicals.....	266	The Hague, Holland.....	Agency.

STEAMSHIP SERVICES BETWEEN EASTERN CANADA AND THE NEAR AND MIDDLE EAST

Attention is drawn by Messrs. McLean Kennedy, Limited, of Montreal, agents for the Ellerman & Bucknall Steamship Company, Limited, to the transshipment services offered by them to destinations most of which are not served by direct services from Eastern Canada. These transshipment services are as follows:—

(1) The regular Canada-India service direct from Eastern Canadian ports to Alexandria, Port Said, Suez, Port Sudan, Aden, Karachi, Bombay, Colombo, Madras, and Calcutta will take transshipment cargo as follows:—

Via Alexandria.—To ports in Palestine, Cyprus, the Adriatic and Levant.

Via Aden.—To ports in East Africa, i.e., Mombasa, Tanga, Dar-es-Salaam, Zanzibar.

Via Port Said.—To Singapore, Port Swettenham, Penang, and all ports in the Dutch East Indies.

Via Bombay.—To all ports in the Persian Gulf and minor ports in India.

Via Madras.—To Rangoon and minor ports in India.

Via Calcutta.—To minor ports in India.

(2) The regular Canadian Far East Line from Eastern Canada to Manila, Hongkong, Shanghai, Dairen and Yokohama will accept transshipment cargo to other ports in the Philippines, China and Japan, Singapore, Port Swettenham and Penang.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Atholl, May 1; Duchess of York, May 8; Duchess of Richmond, May 15; Duchess of Bedford, May 22—all Canadian Pacific; Andania, May 8; Antonia, May 22—both Cunard-White Star Line.

To London.—Beaverhill, May 1; Beaverford, May 8; Beaverdale, May 15; Beaverburn, May 22—all Canadian Pacific; Aurania, May 1; Ausonia, May 8; Alaunia, May 15; Ascania, May 22—all Cunard-White Star Line.

To Manchester.—Manchester Regiment, April 30; Manchester Citizen, May 7; Manchester Port, May 14; Manchester Producer, May 21—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, May 5; Dakotian, May 25—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montclare, May 1; Montrose, May 15—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Boston City, Bristol City Line, May 16.

To Glasgow.—Athenia, May 1; Sulairia, May 8; Letitia, May 15; Airthria, May 22—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, April 30; Cairnesk (calls at Dundee), May 14—both Cairn-Thomson Line.

To Dublin and Belfast.—Dunaff Head (cargo accepted for Londonderry and Cork), Head Line, May 5.

To Aberdeen and Hull.—Kelso, May 2; Kyno, May 23—both Ellerman's Wilson Line.

To Antwerp.—Beaverhill, May 1; Beaverford, May 8; Beaverdale, May 15—all Canadian Pacific; Alaska, May 5; Brant County (calls at Dunkirk), May 23—both County Line.

To Rotterdam and Havre.—Kings County, May 8; Grey County, May 15—both County Line.

To Hamburg.—Hagen (calls at Bremen), Hamburg-American Line, May 15; Beaverburn, Canadian Pacific, May 22.

To Copenhagen, Gothenburg and Baltic Ports.—Stureholm, May 5; Korsholm, May 25—both Swedish-America-Mexico Line.

To Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa and Leghorn.—Nordhavet, Gardiaz Line, May 15.

To Marseilles and Genoa.—Sonja, Canada-Mediterraneo Line, May 16.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Lena, May 5; Capo Olmo, June 2—both Capo Line.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., May 8.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., May 4 and 18.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, April 30; Colborne, May 14—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, April 29; Lady Rodney, May 13—both Canadian National.

To Kingston (Jamaica).—Cathcart, May 8; Cavalier, May 22—both Canadian National.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Conqueror, Canadian National, May 30.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—Canadian Planter, Canadian National, May 22.

To Yokohama, Kobe and Osaka.—Kano Maru, Kokusai Line, May 17.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Cochrane, Elder Dempster Lines Ltd., April 28.

To Santos and Buenos Aires.—Dagrun (calls at Montevideo but not at Santos), Canada-South America Line, May 2; a steamer, International Freightng Corp., May 9.

From Quebec

To Southampton.—Empress of Australia, Canadian Pacific, April 26.

From Saint John

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, April 29; Lady Nelson, May 13—both Canadian National.

To Kingston and Jamaican Outports.—Harboe Jensen, May 8; Crawford Ellis, May 15—both United Fruit Line.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras and Calcutta.—Cedarbank, American and Indian Line, April 28.

From Halifax

To Liverpool.—Incemore, May 13; Newfoundland, May 26; Nova Scotia, June 13—all Furness Line.

To Aberdeen, Newcastle and Hull.—Trentino, Ellerman's Wilson Line, May 11.

To Copenhagen, Gothenburg and Baltic Ports.—Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, May 19; Gripsholm, Swedish-American Line, May 31.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Furness-Red Cross Line, April 27; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., April 29; Magnhild, G. T. Shaw, May 4; Incemore (does not call at St. Pierre), Furness Line, May 13.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, May 7; Lady Nelson, May 21—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Risanger, Ocean Dominion Line, May 6.

To Santiago (Cuba) and Kingston (Jamaica).—Ciss, May 6; Kirsten B., May 20—both Pickford & Black Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, May 4; Colborne, May 18—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cathcart, May 11; Cavalier, May 25—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silveryew, May 9; Javanes Prince, May 23; Silvercypress, June 6—all Silver-Prince Line.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Cruiser, Canadian National, April 30.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—Talisce, Java-New York Line, April 30.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, May 2; Heian Maru, May 23; Hikawa Maru, June 13—all Nippon Yusen Kaisha; Siraha Maru (does not call at Kobe), Empire Shipping Co., May 15.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls Honolulu), May 2; Empress of Russia (calls Nagasaki), May 16; Empress of Japan (calls Honolulu), May 30; Empress of Asia (calls Nagasaki), June 10—all Canadian Pacific; Ixion, May 3; Talthybius, May 31—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Bintang, April 30; Tosari, May 30—both Silver-Java Pacific Line.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, May 20; Niagara, June 17—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, May 15; Golden Coast, June 15—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, Canadian-Australasian Line, May 20.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Innaren, Empire Shipping Co., May 15

To Sydney, Melbourne and Adelaide.—Hopetor, May; Loch Lomond, May; King Malcolm, May—all Australian-British Columbia Shipping Co.

To London and Liverpool.—A steamer (calls at Cardiff), Reardon Smith Line, May.

To London, Liverpool and Rotterdam.—A steamer (calls at Southampton if inducements offer), Holland-America Line, April.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Amerika, April 27; Europa, May 28—both East Asiatic Co.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—San Diego, April 29; Washington, May 11—both Empire Shipping Co.

To Scandinavian Ports.—Axel Johnson, May 1; Balboa, May 4; Margaret Johnson, May 29—all Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Rialto, Empire Shipping Co., May 18.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Barrhill, Canadian Transport Co., April 28.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Siantar, May 7; Silverpalm, June 5—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Brandanger, May 6; Evanger, May 30—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Hadiotes (does not call at London), April 28; Sveajarl (does not call at Liverpool), April 28; Abraham Lincoln (calls at Hull and Oslo), May 11—all Anglo-Canadian Shipping Co.; Damsterdyk (calls at Glasgow, Southampton and Rotterdam), Royal Mail Lines Ltd., May 1; Pacific Enterprise (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., May 7; Cape York (calls at Newcastle but not at Liverpool), American Mail Lines Ltd., May 8; Bradburn (calls at Cardiff), Reardon Smith Line Ltd., May 11; Modavia (calls at Glasgow), Balfour Guthrie & Co., May 11; Knoxville City (calls at Avonmouth), B. W. Greer & Son Ltd., May 15.

To United Kingdom Ports.—Ashleigh, May 10; Everleigh, May 20—both Anglo-Canadian Shipping Co.; Borjestad, Canadian Transport Co., May 20.

To Shanghai.—Bradfyne, Ocean Shipping Co., April 27.

To Yokohama, Kobe and Osaka.—Norway Maru, April 29; Mitwo Maru, May 2—both Yamashita Shipping Co.; Heian Maru, B. W. Greer & Son Ltd., May 11; Talthybius (calls at Shanghai, Hongkong and Miike but not at Osaka), Dodwell & Co. Ltd., May 18.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

MISCELLANEOUS

- Annual Report of the Department of Trade and Commerce. (Price 25 cents.)
- Annual Report of the Board of Grain Commissioners for Canada. (Price 25 cents.)
- Annual Report of the Electricity and Gas Inspection Services. (Price 10 cents.)
- Annual Report of the Weights and Measures Inspection Service. (Price 10 cents.)
- Annual Report of Dominion Grain Research Laboratory. (Price 10 cents.)
- List of Licensed Elevators, etc. (Price 50 cents.)
- Motion Pictures, Catalogue of. (Price 25 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

- Commercial Intelligence Journal Weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information. Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.
- Australian Market for Fish Products (1931).
- French-Canadian Homespun Industry.
- Greece as a Market (1931). (Price 25 cents.)
- Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.
- Map of the World showing Trade Routes. (1930 Edition.)
- Markets of Central America (1929). (Price 25 cents.)
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- Trading with Colombia and Venezuela (1928). (Price 25 cents.)
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PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:

Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance; (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

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L. D. WILGRESS, *Director*

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Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, May 2, 1936

No. 1683



Inspecting Canadian Mild-cured Salmon at Hamburg

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, May 2, 1936

No. 1683

FOREIGN TRADE OF GERMANY, 1935

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40.)

Hamburg, April 8, 1936.—Germany's foreign trade during 1935, returns of which have just been received, shows many important and interesting changes from that of previous years. It was only during 1935 that the German Government's "New Plan" came fully into force and its incidence on the country's foreign commerce has been far-reaching while the constant flux in all European business has exercised a further and powerful influence on this branch of Germany's economic activities.

The principal factors affecting the alterations in Germany's foreign trade have been the policy of the Government in forcing the attainment of a favourable trade balance, in regulating commodity imports and in giving all possible encouragement to the export of German products. The first of these has in practice led to the conclusion of numerous trade agreements with individual countries and the institution of barter trade, while restrictions on the export of foreign exchange have served to exaggerate alterations in the countries of origin and destination of the country's foreign commerce. Commodity import control has naturally led to similar changes in the composition and extent of Germany's purchases from abroad. The stimulation given to export trade has had less marked effect than is seen from the operation of other policies but has nevertheless produced important results.

To emphasize the significance of the detailed data given below and exemplify the drastic alterations which have taken place in Germany's foreign trade, it may be mentioned that, during the past year, imports from the United States fell off by one-third, that purchases from Brazil appreciated by over 50 per cent, that exports to Soviet Russia declined to almost half of the value recorded in 1934, and that a passive trade balance of R.M.284,000,000 was converted into an active one of R.M.111,000,000. The "New Plan" has achieved one of its primary objects in producing a favourable trade balance. Whether or not it has at the same time induced a permanent and substantial inflow of gold and foreign exchange cannot well be determined, but its effects, in this direction, are open to question. Certainly, for the purpose of this report, it can also be said to have worked a most extensive alteration in the whole character of Germany's foreign trade the effects of which cannot, on the whole, be conceded to be as beneficial as might ordinarily be apparent from statistical returns alone.

TOTAL TRADE

The value of Germany's foreign trade during the year 1935 was R.M.8,428,362,000, this figure being less by R.M.189,552,000 than the 1934

total of R.M.8,617,914,000. Exports during 1935 were valued at R.M.4,269,667,000, an increase over the 1934 value (R.M.4,166,878,000) of R.M.102,789,000, while imports declined by R.M.292,341,000 from R.M.4,451,036,000 to R.M.4,158,695,000.

The decline in imports is of particular interest. Combined with a modest appreciation in export values, it influenced the conversion of an unfavourable balance of R.M.284,158,000 in 1934 into a favourable balance for 1935 of R.M.110,972,000. Details are provided in the following table:—

Total Trade of Germany, 1934 and 1935

	1934	1935	Inc. or Dec.
	Values in Millions of Reichsmarks		
Imports	4,451	4,158	— 292
Exports	4,167	4,269	+ 102
Total trade	8,618	8,428	— 190
Balance of trade	— 284	+ 111	+ 395

IMPORTS

A comparison of Germany's import trade during 1934 and 1935 reveals several important and interesting changes as between the two years. There were declines recorded in 1935 not only in total imports but in the value of each principal group of commodities, those in the case of animals, foodstuffs, and raw or semi-manufactured goods being of comparatively small extent, whereas a decrease in the trade in fully manufactured products of R.M.185,665,000 is significant.

With respect to individual commodities, cotton has now replaced wool as Germany's principal import, the relative position of these two materials having been reversed from that obtaining during 1934. Increased imports were recorded during the past year in the case of raw cotton, animal oils, lumber, tropical fruits, iron ore, coffee, miscellaneous ores, butter, and several other important items, whereas the outstanding declines were recorded in the trade in wool and animal fibres, oil-bearing seeds, tobacco, non-tropical fruits, and hides and skins.

Details of Germany's imports of all principal commodities during the two years under review are given herewith:—

Imports into Germany by Principal Commodities, 1934 and 1935

Commodity	1934	1935
	Values in Thousands of Reichsmarks	
Raw cotton	260,239	329,722
Wool and animal fibres	322,626	248,064
Animal oils	136,856	164,953
Oil-bearing seeds	219,889	155,442
Lumber	134,614	150,682
Tropical fruits	140,843	143,907
Raw materials and semi-manufactured wares	139,149	130,959
Iron ore	88,307	123,372
Coffee	118,997	120,997
Tobacco	123,848	118,937
Fruits (non-tropical)	108,791	97,182
Ores, other than iron	77,669	88,516
Hides and skins	99,284	88,250
Butter	73,692	86,561
Flax, jute, hemp	69,726	86,044
Copper	96,767	80,697
Coal	83,821	70,559
Ores and metallic residues	60,394	64,476
Eggs	74,046	62,131
Pulpwood	62,295	60,471
Meat	41,577	54,876
Cotton yarns	44,073	51,739
Fish and fish products	49,703	48,637
Raw furs	53,451	46,493

IMPORTS BY COUNTRIES

As previously noted, there have been several drastic changes in the countries of origin of Germany's import trade as between 1934 and 1935. During the latter year the United Kingdom assumed the role of leading supplier to this market, having displaced the United States, Soviet Russia, and the Netherlands, each of which in 1934 was a more important factor in this trade. Imports from the United States have declined to approximately two-thirds of their 1934 value, while those from the Netherlands have also undergone serious contraction. Brazil, on the other hand, made phenomenal progress in sales of coffee and raw cotton to the local market and, although ranking only eighteenth among suppliers of Germany's import requirements in 1934, stood sixth during the past year.

In general, Germany's import trade with European countries has been consistently maintained. Exceptions are to be noted in the case of the Netherlands, Czechoslovakia, Belgium, France, and Lithuania. The largest declines were recorded in trade with the United States, Australia, Canada, and New Zealand, with which countries, in contrast to most European states, Germany has not concluded any clearing or similar trading arrangements. Australian trade to Germany declined by R.M.70,000,000 as between 1934 and 1935, and Canadian exports to the German market from R.M.62,800,000 to R.M.13,300,000. Data for the past two years are appended:—

Imports into Germany by Principal Countries, 1934 and 1935

Country	1934 Values in Millions of Reichsmarks	1935
United Kingdom	205.7	256.2
United States	372.7	240.7
Soviet Russia	209.7	215.0
Netherlands	261.1	196.1
Italy (and colonies)	184.7	187.5
Brazil	77.2	176.8
France	176.9	154.2
Sweden	133.8	152.9
Argentina	151.5	142.7
Belgium-Luxembourg	160.0	126.2
Czechoslovakia	162.3	121.4
British India	134.7	121.3
Netherlands India	131.8	119.5
Denmark	101.2	118.6
Spain	99.7	118.3
Switzerland	116.1	114.4
China	121.9	102.0
Norway	68.7	93.6
Turkey	67.5	93.4
Roumania	59.0	79.9
Canada	62.8	13.3

EXPORTS

Germany's increased exports in 1935 may be ascribed to a substantial improvement in sales of fully manufactured goods. As compared with 1934, exports of foodstuffs and of raw or semi-manufactured products declined by R.M.42,108,000 and R.M.16,506,000 respectively. Export sales of the products of the manufacturing industries, however, increased by R.M.162,241,000 and enabled a net increase for the year of R.M.103,627,000.

The attainment of a higher export value than recorded in 1934 at a time when Germany is still, in theory, on the gold standard and when most countries have moved, if anything, away from this basis is no mean achievement. It has

been made possible through the utilization of various devices such as the use of "scrips," direct export subsidies, the compulsory contribution to export subsidy funds by individual units in various industries, the requirement that, in many cases, barter transactions should involve larger exports than imports, and so on. These means are, in some cases, novel and their efficacy cannot be questioned, provided, of course, that the position is regarded from a short-term point of view. If, however, one considers them as a permanency and estimates their incidence on Germany's domestic affairs and on her business relations with other countries, the conclusion is inevitable that they are, in most cases, destined to prove of very doubtful value.

Details of German export trade by principal commodities during the years 1934 and 1935 are provided herewith. Increases in the case of coal and paper products are of outstanding importance as are also the comparatively small declines in values shown for any of these staple exports.

Exports from Germany by Principal Commodities, 1934 and 1935

Commodity	1934 Values in Thousands of Reichsmarks	1935
Chemical and pharmaceutical products	333,096	346,799
Miscellaneous iron products	267,891	288,793
Coal	215,782	252,203
Electrical machinery and products	226,387	233,220
Agricultural and similar machinery	190,600	197,265
Dyes, varnishes and lacquers	206,001	193,763
Paper and paper goods	132,632	146,870
Copper goods	118,050	122,914
Glass and glassware	107,506	120,206
Iron sheets and wire	90,292	101,910
Iron rods and cast iron	75,462	90,132
Coke	81,138	86,311
Boilers and parts	88,814	84,050
Silk products	77,374	83,282
Machine tools	87,038	78,152
Textile machinery	77,155	76,874
Cotton piece-goods	81,169	75,830

EXPORTS BY COUNTRIES

Alterations among countries of destination of exports were less marked than those among countries of origin of imports. The eight countries, for example, which ranked as Germany's principal markets during 1934 held the same position in 1935 although in rearranged order of importance. There were substantial decreases in export sales to the Netherlands, Switzerland, France, Soviet Russia, and Belgium, but beyond these and minor declines in a few other instances trade with all other principal markets showed a general improvement which was particularly noticeable with respect to Brazil, Italy, Spain, Hungary, Greece, Chile, and Bulgaria.

Alterations in the destinations of German export trade are to be ascribed, to a large extent, to the institution of various trading agreements based on clearing systems, barter or compensation deals, or similar schemes for the exchange of goods and payment of balances. It may be pointed out, however, that these influences have not been present in all cases and that, whereas imports from both Canada and the United States, with which countries Germany has made no special trading arrangements, fell off to a pronounced degree, exports to these markets during 1935 were considerably in excess of those of the previous year.

Exports from Germany by Principal Countries, 1934 and 1935

Country	1934 Values in Millions of Reichsmarks	1935
Netherlands	481.8	404.2
United Kingdom	382.9	374.9
Italy (and colonies)	245.9	278.3
Switzerland	295.3	256.9
France	281.7	252.8
Sweden	198.3	206.8
Belgium-Luxembourg	235.9	201.8
United States	157.8	169.5
Denmark	140.2	141.9
Czechoslovakia	148.4	130.0
Brazil	74.5	118.6
British India	94.4	111.3
Austria	106.7	107.9
Spain	87.5	105.7
Argentina	87.0	97.2
China	77.7	95.5
Norway	79.6	84.4
Japan	79.6	83.2
Turkey	50.9	67.3
Roumania	50.9	63.8
Hungary	39.6	62.9
Finland	43.3	49.2
Greece	29.3	49.1
Poland	38.8	48.0
British South Africa	45.8	42.2
Bulgaria	19.3	39.3
Soviet Russia	63.3	39.3
Canada	21.7	22.9

SUMMARY

If the foregoing data be considered solely as a record of Germany's foreign trade during 1935, the year must be regarded as a favourable one. The reduction of imports, increase in exports, and creation of a favourable trade balance reflect determination and efficiency. Attention must be drawn, however, to the facts, for example, that in reducing imports the country has been deprived of many goods which are normally essential to the welfare of the population and to industry, while at the same time stocks of many raw materials have declined to unusually low levels. There has also been a notable increase in the use of low-quality goods in substitution for those of accepted standard. The opinion is ventured that Germany's current trade policy is based on a short-term outlook and that, in essence, the position at the close of the past year was very slightly better than at December 31, 1934.

The intensification, towards the close of the year, of various regulations governing both import and export trade render it abundantly evident that the Government is apprehensive as to the future, and when the present position is considered as being subject to further changes as a result of the current political situation in Europe, it is clear that estimates as to probable trends in Germany's foreign trade during 1936 must be based on insecure premises. That there will be a continuation of the present policy appears certain. Its results must be left to individual calculation but, from a general point of view, are not regarded as promising.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF MARCH AND THREE MONTHS ENDED
MARCH 31, 1935 AND 1936)

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of March			Three months ended March 31			United States Tariff	
	1935		1936	1935		1936	1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$		
AGRICULTURAL AND VEGETABLE PRODUCTS								
Fruits—								
Apples, green or ripe.....	4	24	247	11	55	259	1,177 25c. per bu. 50 lbs.....	15c. per bu. 50 lbs.
Grain products—								
Bran, shorts and middlings.....	308,208	364,905	98,216	817,835	1,037,311	353,529	302,146 10% ad val.....	10% ad val.
Cereal foods.....		5,276			15,280		22,311 20% ad val.....	15% ad val.
Screenings.....	55,994	39,842	27,460	156,355	109,155	68,822	17,591 10% ad val.....	10% ad val.
Hay.....	18,799	197,194	1,039	47,211	467,318	2,018	13,945 \$5 per ton (2,000 lbs.).....	\$3 per ton (2,000 lbs.).
Maple sugar.....			1,518,637	308,351	40,786	2,562,749	463,884 6c. per lb.....	4c. per lb.
Seeds—								
Clover seed, alfalfa.....	174	2,194	89	940	11,842	623	6,322 8c. per lb.....	4c. per lb.
Clover seed, alsike.....			180	12	88	180	1,463 8c. per lb.....	4c. per lb.
Grass seed.....	16,271	102,395	17,933	42,386	260,277	32,519	30,397 2c. per lb.....	1c. per lb. (mainly timothy).
Vegetables—								
Certified seed potatoes.....	*	*	*	*	*	*	75c. per 100 lbs.....	45c. per 100 lbs., Mar. 1 to Nov. 30, if certified seed.
Potatoes, n.o.p.....	29,435	15,640	91,106	69,583	27,709	139,502	125,027 75c. per 100 lbs.....	75c. per 100 lbs.
Turnips.....	195,568	45,021	362,638	720,132	156,173	1,065,493	322,083 25c. per 100 lbs.....	12½c. per 100 lbs.
Whiskey.....	158,299	862,017	391,542	345,026	1,911,230	1,033,756	5,366,348 \$5 per pf. gal.....	\$2.50 per pf. gal. if aged in wooden containers for at least four years.
								\$5 per pf. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS								
Animals, living—								
Dairy cattle—								
Weighing 175 to 700 lbs.....	282	19,185	343	670	42,296	1,007	2½c. per lb., 175 to 700 lbs.	2½c. per lb., 175 to 700 lbs.
Weighing over 700 lbs.....							3c. per lb. if over 700 lbs.	3c. per lb. if over 700 lbs.
								on imports in excess of 20,000 head during any calendar year.

[illegible]

*Statistics shown for "potatoes n.o.p." will include "certified" seed up to April 1, 1936; after that date "certified seed" will be shown separately.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of March				Three months ended March 31				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Meats—										
Poultry, dressed or undressed.....	15,315	\$ 2,752	59	\$ 19	25,087	\$ 4,601	6,582	\$ 1,518	10c. per lb., if chickens and guineas.	6c. per lb., if chickens and guineas.
Milk products—										
Cheese.....	147	3,020	15,253	193,681	659	13,527	27,118	354,458	7c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves;	5c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves;
										7c. per lb., but not less than 35% ad val., if other kinds of cheese.
Cream.....			1,330	1,920			1,400	2,033	56-6/10c. per gal.	35c. per gal.; 56-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
Wood, Wood Products and Paper										
Boots—Shingles of pine or cedar.....	34	136	7	29	77	299	42	173	Free.	Free.
Firewood.....	10,154	42,099	6,409	29,914	16,329	74,510	14,082	62,240	Free.	Free.
Laths.....	16,596	36,960	17,688	54,355	34,356	75,317	42,304	120,056	Free.	Free.
Logs.....	8,640	94,877	4,584	48,218	20,339	198,052	15,635	176,560	Free.	Free.
Masts and spars.....						53			\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch;	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch;
Pickets.....	385	3,340	524	2,661	2,569	20,954	1,175	1,619	Free, if other kinds.	Free, if other kinds.
Piling.....	3,050	312	19,383	2,586	3,050	312	42,368	5,993	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch;	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch;
Planks and boards—										
Flooring of hardwood.....	57	3,187	99	4,558	202	8,801	120	5,581	8% ad val.	Free, if other kinds.
Lumber, softwood.....	20,941	499,633	56,181	1,127,718	51,925	1,245,898	103,483	2,336,467	\$1 per M ft. b.m., Revenue Tax if fir, spruce, pine, hemlock or larch;	\$1.50 per M ft. b.m., and 50c. per M ft. b.m., Revenue Tax if fir, spruce, pine, hemlock or larch;
Lumber, hardwood.....	1,471	53,696	2,491	83,708	3,408	122,165	7,078	243,538	Free, but subject to \$3 per M ft. b.m., Revenue Tax.	Free, but subject to \$3 per M ft. b.m., Revenue Tax.
Poles—										
Telegraph and telephone.....	25,067	69,563	16,937	48,821	50,194	138,048	42,859	129,488	Free.	Free.
Other poles.....	33,480	471		18,681		1,596		24,987	Free.	Free.
Posts, fence.....	70,714	2,606	69,938	5,806	55,493	4,816	102,227	7,788	Free.	Free.
Pulpwood.....	409,761	44,290	252,858	170,425	968,487	968,487	148,827	870,537	Free.	Free.
Railroad ties.....	2,625	11,791	17,530	11,791	9,238	4,685	28,377	18,307	Free.	Free.
Shingles.....	127,131	308,911	153,704	407,404	322,951	780,503	429,407	1,118,173	Free.	Free.
Staves and headings.....		6,151				21,353		64	Free, if staves;	Free, if staves.
									33 1/2% ad val. if headings;	33 1/2% ad val. if headings.

Timber, square— Softwood.....	M. ft.	149	2,369	1,111	16,485	211	5,173	1,214	18,598	\$1 per M ft. b.m., if fir, spruce, pine, hemlock on larch; Free, if other kinds. 12 6,209 302 Free. 17,744 982 Free.	50c. per M ft. b.m., if fir, spruce, pine, hemlock on larch; Free, if other kinds. Free. Free.
Hardwood.....	"										
Wood pulp.....	Cwt.					2	126				
Paper—Newsprint.....	"	961,847 3,399 557	2,104 236 5,926 792	1,288 151 4,093 445	2,588 334 7,002 159	2,447 571 9,033 186	5,359 330 15,746 330	3,044 255 10,356 562			
IRON AND ITS PRODUCTS											
Farm implements—											
Cultivators.....	No.	160	12,761	300	20,619	357	27,931	809	57,522	Free.	Free.
Drills.....	"	24	2,473	218	23,510	77	8,689	262	28,280	Free.	Free.
Harrows and parts.....	No.	5	3,618	124	15,538	5	5,468		33,189	Free.	Free.
Harvesters and binders.....	No.	28	1,368		20,692		1,368	210	38,947	Free.	Free.
Hay rakes.....	"		6,728			28	728			Free.	Free.
Mowers and reapers.....	"	113	45,763		28,938	269	17,442	279	15,467	Free.	Free.
Ploughs and parts.....	No.	5	5,450	12	12,507	5	75,357		136,081	Free.	Free.
Reaper threshers.....	No.		20,980		34,491		40,723	24	27,271	Free.	Free.
Parts of farm implements.....	Ton	640	13,822	685	13,606	2,684	61,849	1,394	242 884 Free.	Free.	Free.
Ferro-silicon.....	"								37,600	2c. per lb. on silicon con- tent.	1½c. per lb. (on silicon content) when con- taining 8% or more but not less than 30% of silicon.
Ferro-manganese and other ferro-alloys..	"	1,555	38,969	1,587	41,409	3,760	97,765	4,516	120,085	1½c. per lb. on manganese content.	1c. per lb. (on manganese content) when con- taining not less than 4% of carbon. 15% ad val.
Skates.....	Pair	87	127	26,470	14,978	9,919	8,179	70,151	40,109	20% ad val.	
NON-FERROUS METALS AND PRODUCTS											
Cobalt in ore.....	Cwt.	193	6,827			258	9,107	338	17,211	Free.	Free.
Nickel in ore, matte or speiss.....	"	11,021 669	198,378 13,066	10,970 2,671	197,468 51,211	21,478 2,025	386,604 40,214	35,191 4,559	633,453 Free. 88,287 Free.	Free.	Free.
NON-METALLIC MINERALS AND PRODUCTS											
Abrasives, artificial, crude.....	Cwt.	125,374	303,411	134,101	323,067	321,760	749,939	388,510	886,751	Free.	Free.
Asbestos.....	Ton	5,100	256,034	6,084	331,419	13,356	666,696	16,650	908,868	Free.	Free.
Asbestos sand and waste.....	"	5,789	82,937	9,674	154,128	15,020	220,446	22,995	369,034	Free.	Free.
Feldspar.....	"	464	2,634	357	2,084	1,008	5,549	958	6,103	50c. per ton, if crude.	35c. per ton, if crude.
Gypsum, crude.....	Cwt.	12,331	5,372	9,886	3,477	22,150	25,988	13,100	14,396	Free.	Free.
Lime.....	"	14,249	7,010	13,523	6,982	37,788	12,680	31,203	13,396	Various.	Various.
Talc.....	"						19,548	38,790	19,722	35% ad val.	25% ad val.
CHEMICALS AND ALLIED PRODUCTS											
Acetic acid.....	Cwt.	34,772	208,897	19,686	105,840	118,695	700,326	69,654	378,616	2c. per lb., if over 65%.	1½c. per lb., if over 65%
Cyanamid.....	"	537,292	610,256	545,602	582,557	1,081,504	1,190,488	1,086,846	1,149,597	Free.	Free.
Sulphuric acid.....	"	1,010	505	1,736	1,133	4,319	2,877	4,466	2,952	Free.	Free.
MISCELLANEOUS COMMODITIES											
Organs.....	No.	1	11,100			2	14,140	1	6,768	35% ad val.	25% ad val.
Total exports of above commodities.....			14,638,347		18,861,545		36,951,305		47,187,912		
Total domestic exports to United States.....			21,915,511		26,845,683		55,018,404		68,530,474		

SUMMARY OF THE TRADE OF CANADA, MONTH, AND TWELVE MONTHS ENDING MARCH, 1936

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of March, 1936			Twelve Months ending March, 1936		
	Total Imports	From United Kingdom		Total Imports	From United Kingdom	
	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>						
Agricultural and Vegetable Products.....	9,564,036	1,444,514	3,541,654	110,342,532	18,006,641	30,959,760
Animals and Animal Products.....	2,825,629	428,378	1,243,035	24,314,220	3,792,424	10,973,245
Fibres, Textiles and Textile Products.....	9,702,400	4,205,965	3,383,146	89,914,076	40,594,719	32,194,347
Wood, Wood Products and Paper.....	2,323,201	256,503	1,942,085	23,271,631	3,513,396	17,863,399
Iron and its Products.....	11,695,139	1,174,208	10,233,889	114,253,715	20,551,388	88,428,437
Non-Ferrous Metals and their Products.....	2,983,244	480,194	2,134,457	33,685,919	5,829,425	23,305,389
Non-Metallic Minerals and their Products.....	8,134,818	579,025	6,631,255	105,421,236	12,932,009	78,088,621
Chemicals and Allied Products.....	2,598,701	580,992	1,683,088	29,919,921	6,336,345	17,000,123
Miscellaneous Commodities.....	2,937,863	532,029	2,054,040	31,679,751	6,302,634	20,266,185
Totals, 1936.....	52,705,031	9,681,808	32,896,619	502,803,001	117,858,981	319,579,506
Totals, 1935.....	48,191,140	9,082,030	31,332,739	522,431,153	111,082,490	303,639,972
1934.....	47,519,291	9,904,905	29,063,994	433,798,625	105,100,764	238,187,681
<i>Exports (Canadian Produce)</i>						
Agricultural and Vegetable Products.....	19,843,458	10,800,421	3,739,628	242,861,877	154,261,975	44,663,210
Animals and Animal Products.....	10,461,585	4,722,019	4,673,599	100,932,110	54,592,114	34,058,519
Fibres, Textiles and Textile Products.....	941,735	154,233	117,773	10,273,697	2,330,693	2,612,474
Wood, Wood Products and Paper.....	17,593,680	2,401,578	11,897,266	181,831,743	28,772,934	125,247,878
Iron and its Products.....	5,966,568	1,440,614	471,532	52,368,057	11,159,095	5,411,683
Non-Ferrous Metals and their Products.....	12,539,702	6,370,071	3,254,846	129,132,518	59,221,941	40,983,195
Non-Metallic Minerals and their Products.....	1,591,980	6,130,055	1,092,135	19,093,643	2,207,869	11,566,497
Chemicals and Allied Products.....	1,807,693	341,478	998,939	16,018,391	3,212,081	7,458,104
Miscellaneous Commodities.....	1,283,438	396,368	599,945	13,113,527	3,197,996	7,500,512
Totals, 1936.....	72,029,854	26,756,837	26,845,683	765,615,563	318,957,298	279,487,072
Totals, 1935.....	58,095,020	21,323,233	21,915,511	659,899,994	274,182,737	224,097,923
1934.....	57,637,721	22,845,526	20,198,503	579,343,145	227,601,411	194,443,139
<i>Exports (Foreign Produce)</i>						
Totals, 1936.....	1,136,477	75,825	960,267	13,441,659	877,698	11,825,348
Totals, 1935.....	927,802	36,253	820,004	7,658,963	823,286	6,184,187
1934.....	726,127	107,673	546,478	6,311,324	700,700	4,907,793
<i>Excess of Imports (i) or all Exports (e)</i>						
Totals, 1936.....	(e) 20,401,300	(e) 17,150,854	(i) 5,090,669	(e) 216,254,221	(e) 201,976,015	(i) 28,267,086
Totals, 1935.....	(e) 10,855,282	(e) 12,277,456	(i) 8,397,224	(e) 145,127,804	(e) 163,323,663	(i) 72,537,862
1934.....	(e) 10,844,557	(e) 13,048,294	(i) 8,319,013	(e) 151,855,844	(e) 123,210,347	(i) 38,836,749

RED CLOVER SEED SITUATION IN ENGLAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, April 17, 1936.—During the past few years the shipments from Canada to the United Kingdom of red clover seed have varied considerably in volume. While never very large, they totalled 45,447 bushels in the fiscal year ended March 31, 1932, according to Canadian statistics. This was an exceptional year. In fiscal year 1931 they totalled 119 bushels; in 1933, 1,028 bushels; in 1934, 19,077 bushels; in 1935, 1,097 bushels; and during the nine months ending December, 1935, they reached 2,234 bushels. The volume of imports from all countries is controlled by the size and quality of the domestic carry-over. The principal shippers to this market include Chile, Poland, Canada, France, and the United States.

The situation this season is not encouraging for overseas suppliers. The United Kingdom, owing to a good crop in 1935, is well stocked with medium- to good-quality grades on offer at very reasonable prices. Import requirements will therefore be small. Another condition that will limit imports is that Germany, usually a buyer of English red clover seed, has not granted an import licence this season owing to credit difficulties, and the quantity earmarked early in the year for sale to that country has now to be absorbed in the domestic market. As a result, prices are easy and there is little demand for foreign seed.

English fancy red seed, considered the best available, is selling at from 60s. to 65s. per cwt. Canadian is offered at around 70s. per cwt., while Chilean can be purchased at from 45s. to 55s. per cwt. plus 10 per cent duty. Medium grades of English seed, of which, as has been stated, a good supply is on hand, are priced at from 30s. to 50s. per cwt., and it is this seed that is supplying the bulk of the demand. Polish seed is quoted at from 55s. to 70s. per cwt. plus 10 per cent duty, but is reported to be of poor quality in comparison with English. France is not an exporter owing to a poor crop in 1935.

Canadian red clover seed at the right price, which is regarded as being between that of Chilean and the best English product, is well liked, one reason for this being the long life plant it produces. Chilean seed contains considerable "dodder," and is not suitable for warm climates; its use therefore is confined to the North of England and to Scotland, where the "dodder" does not germinate to any appreciable extent. Chilean seed, dodder-free, is available, but is too expensive to permit of large sales. Red clover seed from the United States is regarded as of good quality, but has been little seen in this country during the past year or two.

Red clover seed, with the exception of Chilean, is purchased on inspection. Samples are submitted and contracts made according to the appearance, percentage of germination, and purity. Good seed should be 99 per cent free from impurities, have a germination content of over 90 per cent, and in appearance be well formed, and of light colour.

CONDITIONS IN NORTHERN IRELAND, 1935

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, March 20, 1936.—Evidence of the return of financial confidence and stability are apparent in Northern Ireland, chiefly in the encouraging position of the staple industries of shipbuilding and linen, and agriculture.

INDUSTRIAL CONDITIONS

In the shipbuilding industry there was a marked change for the better; Messrs. Harland & Wolff had a successful year, their tonnage returns for the port of Belfast showing an output of 101,906 and 186,930 i.h.p.

From the pre-war figure of £230,000,000, the value of the linen trade dropped in 1935 to approximately £80,000,000. Apparently conditions in the industry are still dependent to a considerable extent on the demand in the United States market, although at the present time some 57 per cent of the linen output of Ulster is disposed of in the home market and the British Empire. The past year proved rather a difficult one for linen, principally owing to the fluctuation in the price of raw materials. At the end of 1935, however, there was a decided turn for the better, and the mills and factories had substantial orders in hand for months ahead and at better prices.

Not since pre-war days has the live-stock trade enjoyed such prosperity as during the past year, when the record total of 100,000 cattle was exported through the port of Londonderry. This was due in large measure to the coal-cattle pact between the United Kingdom and the Free State, as well as to improvement in trade in the United Kingdom. Pig exports declined, as local curers are able to absorb more than the increased numbers of pigs produced.

STATE FINANCES

The Northern Ireland Exchequer returns for the nine months of the financial year ended December 31, 1935, show that the province is sharing in the gradual recovery of the United Kingdom from trade depression. The period shows a credit balance of £78,083 as against £31,271 at the same date in 1934. Compared with the same period of 1934, the revenue in several instances has increased. Motor vehicle duties, fees, policies, etc., provided £291,757 as against £260,000; stamp duties, £182,000 as against £168,000.

ELECTRICAL DEVELOPMENT

Progress in electrical development in Northern Ireland has been facilitated owing to the fact that there is only one station of the first magnitude in the area, namely, that belonging to the Belfast Corporation, with an installed capacity of 55,750 kilowatts, shortly to be increased to 85,000 kilowatts. There are two other large coal-power stations, namely, those of the Larne Electric Light and Power Company with 7,150 kilowatts, and the Londonderry Corporation with 5,950 kilowatts.

The Northern Ireland Electricity Board will apply to the Northern Parliament shortly for authority to borrow a further £1,000,000 for electricity expansion. More than four hundred miles of extra high-tension lines have been erected, and low-tension development is now being entered upon. The Northern Ireland grid system will eventually be operated from two main stations, Belfast and Londonderry. These stations will supply electricity to the greater portion of the North. County Antrim and a portion of County Derry are supplied by the Antrim Electricity Company, a private undertaking with a station at Larne. It is planned that eventually these stations will be linked up, and it may be possible also to effect a junction with the Shannon scheme south of Newry. The Shannon hydro-electricity scheme and the Northern coal-power schemes are complementary in that one is likely to have a surplus of electricity available when the other may be short, and an exchange might be arranged.

BANKING

Of the banks having their head offices in the Six Counties, the only report available is that of the Ulster Bank, which is a subsidiary of the Westminster Bank. Net profit for the year showed an increase. The dividend was 14 per cent tax free (on increased capital) as against 16 per cent tax free in 1934.

AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ASSISTANT TRADE COMMISSIONER

Melbourne, March 25, 1936.—Wheat and flour shipments from Australia for the period from December 1 to the week ending March 17 totalled 41,395,983 bushels, which compares with 37,460,136 bushels shipped in the corresponding period of last season. The market has not improved greatly within the past month, but a better tone has recently appeared owing largely to speculative buying. The extremely dry weather throughout the wheat-growing areas, with the exception of New South Wales, has exercised a restraint on the farmers selling, and it seems that growers will retain their present stocks for some time, although prices are considered reasonably attractive.

The price to growers is about 3s. 2d. per bushel Australian currency at country sidings, equivalent to 64 cents Canadian, and 3s. 9d. f.o.b. steamer, equivalent to 74 cents Canadian. China has been a buyer during the past month at comparatively cheap prices, the reason being that the shippers are prepared to take low prices as otherwise they would have been forced to send their wheat afloat to the United Kingdom market unsold, and as considerable quantities were already afloat unsold for Britain, it might be disastrous to make further unsold shipments.

Shipments from Australia have been quite heavy since the beginning of the crop year, and the exportable surplus uncommitted is now reduced to relatively small proportions.

FLOUR

The export flour market is still characterized by very dull conditions and the immediate outlook is not encouraging. Millers have no important bookings ahead, and in any event they would experience some difficulty in getting sufficient wheat for milling purposes at current levels. Substantial shipments of flour have gone forward to Dairen, but the mills are now running on very short time and the market is awaiting developments. Export quotations are about £7 17s. 6d. per ton of 2,000 pounds packed in 49-pound calico sacks, equivalent to \$31.18 Canadian, and £7 12s. 6d. in 150-pound bags, equivalent to \$30.18, the local price for flour being £9 7s. 6d.

CHARTERING

There is little activity to report in chartering and full cargo rates are still unchanged. The United Kingdom parcel rate for June, however, has been fixed at 25s. per ton of 2,240 pounds, all freights payable in English currency.

FINANCIAL ASSISTANCE TO WHEAT GROWERS

The Wheat Growers Relief Act for 1936 has recently passed its final reading in the Federal House, and provides that payment may be made out of the Consolidated Revenue Funds for financial assistance to wheat growers in the respective states of the Commonwealth, as follows: New South Wales, £565,284; Victoria, £441,948; Queensland, £42,835; South Australia, £432,146; Western Australia, £392,850; Tasmania, £3,483.

The actual disbursement to growers is made by the state authorities concerned, and is made with respect to persons who have sown wheat during the year 1935.

COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

Wine Production in Australia

Sydney, March 26, 1936.—From 114,000 acres of wine-producing vineyards, Australia produces an average of about 16,000,000 gallons of wine annually, and there is so much suitable land available that this area can be extended almost indefinitely.

The outlook with regard to the vintage this year is promising, and from the information available it would appear that production in the Commonwealth will exceed that of last year, and be at least average. It is estimated that the New South Wales vintage will approach 2,000,000 gallons; last year's was only 1,539,247 gallons.

During the first half of the current financial year the exports from the Commonwealth amounted to 2,291,011 gallons compared with 1,888,962 gallons in the corresponding period of the previous year, an increase of 402,049 gallons.

About 70 per cent of Australian wines are produced in the State of South Australia.

Commonwealth Motor Registrations

Returns to December 31 last show that 723,759 motor vehicles, including 78,188 motor cycles, were registered in the Commonwealth, compared with 672,382 at the corresponding date in 1934, when the number of motor cycles was 75,761. Accepting a ten-years' average life basis for cars and trucks, it is stated that replacements have fallen far behind requirements, which should have amounted to 127,018 cars and 43,200 trucks in the three years 1933-35, whereas the actual new registrations up to the end of October were 74,847 and 30,939 respectively.

Wheat Harvest of New South Wales, 1935-36

The Government Statistician recently made an estimate of the harvest of the current season. The harvest is estimated at 15,755,000 bags, equivalent (on a basis of 3 bushels per bag) to 47,265,000 bushels of grain.

The highest yield per acre averaged 15·6 bushels, and the lowest yield was 5·1 bushels. The average yield was 12·5 bushels, approximately the same as the average of the preceding ten years.

The stocks of old season's wheat at the end of the year were (in equivalent wheat) 5,980,000 bushels. If the estimated production be added to this, there will be available 53,245,000 bushels. The year's requirements for consumption in New South Wales, including seed wheat, are estimated at 20,500,000 bushels. Approximately 29,700,000 bushels should be available for disposal beyond New South Wales either as wheat or flour.

Wheat Varieties Grown in New South Wales

For the fourth year in succession Nabawa was the most popular variety of wheat grown in New South Wales during the past season. Its 24·7 per cent is a reduction on the 27·5 per cent grown last year, whereas three years ago it rose to 31·8 per cent. Ford has substantially improved its position by rising to 18·9 per cent as compared with 12·5 per cent the previous season. Waratah has maintained its position, but Bobin has dropped from 10·8 to 5·4 per cent, while Dundee has forged its way from eighth place to fourth. Baringa is another wheat which is becoming increasingly popular, having nearly quadrupled its area.

Sydney Wool Sales

The main Sydney wool-selling season finished last week. A series of auctions will be held from May 4 to 7, and the final clearing sales will be held in June.

Values at the closing sales were maintained on recent levels. All well-grown wools, fleeces, and skirtings attracted very keen competition. Japanese buyers were noticeably active, Yorkshire bought well-grown lines with freedom, and France purchased in good quantities. There was also some bidding by Belgian and German buyers. North American buyers were noticeable when suitable lines were offering. Australian millmen were very active.

Sales on the Sydney market so far this season totalled 1,074,770 bales as compared with 858,746 bales in the similar period last year. The average prices paid during the current season to date are as under:—

1935	Per Bale		Per Pound
	£	s. d.	Pence
Week ended September 7	16	18 1	12.9
Week ended October 5	15	3 3	11.9
Week ended November 2	15	19 4	12.7
Week ended December 14	17	12 3	14.5
1936			
Week ended January 18	19	1 4	15.8
Week ended February 22	20	3 5	16.8
Week ended March 7	18	12 1	15.9
Week ended March 14	16	9 8	13.7

The quotation given for the last week should not be taken as a fair indication of wool values, as offerings included a quantity of poor-class wool usual at the close of the season.

GOVERNMENT CONTROL OF TOBACCO MARKETING IN SOUTHERN RHODESIA

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, March 25, 1936.—A recent issue of the Southern Rhodesia Government *Gazette* contains a Bill entitled the “Tobacco Marketing Act, 1936,” which is to be introduced during the present session of the Legislature. The Act will vest the Minister of Agriculture and Lands with extensive powers to regulate the sale and export of tobacco, which is, for the purposes of the Act, defined as (a) unmanufactured flue-cured tobacco of Virginia type; and (b) such other classes or types of unmanufactured tobacco as may be so declared by notice in the *Gazette*. The principal features of the new system of control, which supersedes that set up by the “Tobacco Sale and Export Act, 1930,” and amendments thereto, are summarized below.

TOBACCO MARKETING BOARD

The minister’s powers are to be exercised by a board to be known as the Southern Rhodesia Tobacco Marketing Board, which shall consist of six members appointed by the minister. Of these, the chairman shall be a senior member of the public service, three shall represent growers and shall be selected from a panel of names submitted by the Council of the Rhodesia Tobacco Association, and two shall represent buyers and shall be selected from a panel of names submitted by the Tobacco Trade Section of the Salisbury Chamber of Commerce. The chairman shall hold office at the minister’s pleasure and the members for a period of two years. Continuity of experience is assured, however, by providing that two members, one representative of the growers and one of the buyers, shall retire at the expiration of one year from the date of the board’s establishment, and that retiring members shall be eligible for reappointment. Provision is made for a remuneration and the payment of reasonable expenses to members.

LICENSING OF BUYERS

Any person who buys tobacco in the colony shall be required to apply to the board for a buyer's licence, valid for one year, for which a nominal fee is to be charged. A buyer's licence may be issued in the name of a company or partnership, but in such a case the firm must register with the board the name of every person authorized to buy tobacco in the colony on its behalf. In the event of a buyer's licence being cancelled for the contravention of any of the provisions of the Act, the board may refuse to issue a further licence to such buyer or to register his name as a buyer on behalf of any licensed firm for a period not exceeding two years.

LICENSING AND OPERATION OF AUCTION FLOORS

The board is to grant licences (the number being left to the board's discretion), valid for one year, to such premises as it may deem suitable for the sale of tobacco by auction, at a fee of £50. The board may from time to time fix a tariff of weighing, selling, and commission charges, which must not be exceeded. The board may from time to time appoint for each licensed auction floor periods during which only "quota" tobacco¹ shall be offered for sale, and times during which only "surplus" tobacco¹ shall be offered.

No tobacco shall be sold or bartered within the colony in any other manner than by auction on a licensed auction floor, nor shall any tobacco which is not tobacco as defined for the purposes of the Act be offered for sale on any licensed auction floor except with the permission of the board. Furthermore, no person shall use for the purposes of manufacture for sale any tobacco produced in Southern Rhodesia unless purchased on a licensed auction floor. The purchase price of any tobacco bought on a licensed auction floor shall be paid to the owner of the floor, who shall pay such purchase price, less his authorized charges, to the seller.

Special provisions, however, are laid down in the case of sales for export to the Union of South Africa which in the Union-Southern Rhodesia trade agreement granted the colony duty-free entry of an annual quota of tobacco and in which market, on account of the protection given to Union producers, the price of tobacco may be expected to be higher than in the United Kingdom, Southern Rhodesia's other principal market. In such cases the tobacco shall not be removed from the licensed auction floor until an officer of the board has assessed the price which would have been paid for such tobacco had it been bought for export to the United Kingdom. If the purchase price is greater than the assessed price, the owner of the floor shall pay the difference to the board, which shall pay all such moneys into a special account to be distributed, when and how the board may deem fit, to growers who have sold tobacco of similar value on licensed auction floors during the same season.

REGISTER OF GROWERS

A register containing the name and address of every registered grower, the name of the farm on which he grows tobacco and such other particulars as may be prescribed is to be kept by the Secretary of the Department of Agriculture and Lands.

Every applicant who during the crop year 1935-36 grew tobacco on the farm in respect of which registration is sought and whose name has not, after previous registration, been lawfully erased from the register shall be entitled to registration. No other applicant shall be registered except upon the authority of the minister, given after consultation with the board.

GROWERS' QUOTAS

Each year every registered grower shall be allotted a sales quota in the tobacco requirements of the local and protected markets for the current season. (Protected markets are the United Kingdom, the Union of South Africa, and

¹ See below.

such other countries as may be so declared by notice in the *Gazette* from time to time.) The sales quota is to be expressed in weight of tobacco, and for the year 1936 shall be such weight as the minister shall in his discretion allot. In subsequent years it is to be based on a "basic quota" allotted to every registered grower on registration.

The basic quota shall be expressed in weight of tobacco, and in the case of a grower who grew tobacco in the crop year 1933-34 shall be 80 per cent of the weight of tobacco grown in that year, or such other weight as the minister may have allotted to him prior to the commencement of the Act under any voluntary scheme for the allotment of such quotas. In the case of a grower who did not grow tobacco in the crop year 1933-34, the basic quota shall be determined by the minister. A grower's basic quota shall expire on the removal of his name from the register, and may not be transferred without the minister's consent. Furthermore, should a grower fail to produce the weight of saleable tobacco allotted to him in his sales quota for three consecutive seasons, his basic quota may be reduced. Any grower dissatisfied with the basic quotas allotted to him is to be allowed to state his objections to the minister who shall review the case. In the event of the result of the review not being satisfactory to the grower, provision is made for an appeal before a board of appeal appointed by the Governor.

Not later than September 30, each year, an estimate of the ratio which sales quotas will probably bear to basic quotas in the forthcoming year shall be published in the *Gazette*, and not later than March 15, each year, the ratio for the current season shall be fixed by notice published in the *Gazette*.

SALES QUOTA CERTIFICATES AND EXPORT PERMITS

As soon as possible after the publication of the notice fixing the ratio, a non-transferable sales quota certificate stating the grower's sales quota for the current year and the period for which the certificate is valid shall be issued to each registered grower on payment of a prescribed fee. However, if in any year the requirements of the local and protected markets prove to be substantially different from the estimate on which the ratio was fixed, the ratio may be amended by notice in the *Gazette* and all sales quota certificates shall be amended in strict proportion. Quota tobacco shall consist only of tobacco harvested by the holder of the relevant certificate in the year to which the certificate relates, and no grower is to be allowed to export to any protected market or sell as quota tobacco on any licensed auction floor any tobacco except such tobacco.

Not later than June 15 in every year, each grower shall be required to inform the Secretary for Agriculture and Lands of the estimated total weight of saleable tobacco harvested by him in that year and to state whether he will be able to supply the full amount of his quota. The aggregate amount of any deficiencies shall be divided in strict proportion among all other such growers as will be able to supply more than their quotas, and their certificates shall be amended accordingly.

No person shall be allowed to export any tobacco from the colony except under permit from the secretary, issued under the authority of the minister, who shall have discretion to refuse to authorize any permit other than a permit in respect of tobacco lawfully bought by a licensed buyer on a licensed auction floor or bought through a pool arranged by the board. Every such permit shall state the quantity of tobacco which is authorized to be exported, the country of destination, and the period for which it is valid. As a precautionary measure, to prevent the illegal export of tobacco to protected markets, no customs officer of the colony shall endorse any certificate of origin or other similar document required by the customs authorities of any protected market in connection with tobacco unless the applicant for such document produces a valid permit for exporting such tobacco to such protected market.

Furthermore, whenever any grower sells tobacco on a licensed auction floor, he will have to produce his sales quota certificate to the owner of the floor, who shall endorse thereon the quantity of tobacco so sold and whether it was purchased at a time appointed by the board for the sale of quota tobacco. Whenever the endorsements on a certificate show that the holder has either exported to protected markets or sold on a licensed auction floor the full amount of his quota, or the period of the validity of the certificate has expired, the secretary shall not grant to the holder thereof a permit to export tobacco to any protected market, and the holder thereof shall not sell or offer for sale any tobacco on any licensed auction floor without the permission of the board.

DISPOSAL OF SURPLUS TOBACCO

If the owner of any tobacco left unsold on a licensed auction floor shall fail to remove it after receiving sufficient notice from the board, the latter may authorize the owner of the floor to destroy or otherwise dispose of such tobacco without compensation to the owner thereof. The owner of the floor will be allowed to dispose of such tobacco otherwise than by destruction only with the permission of the board, and in that case he shall pay to the board any proceeds from the disposal thereof. After a date which shall be fixed in every year by the board, the board may, by notice in the *Gazette*, order the destruction or other disposal of all tobacco in the colony which remains unsold in the hands of any grower.

The principal method of disposing of surplus tobacco will be through pools arranged by the board when it deems fit, with the approval of the minister. In such cases it shall be the function and duty of the board (a) to call for and receive from growers application for the entrance of tobacco into the pools; (b) to classify and arrange all tobacco accepted by it, except that it may exempt any tobacco from classification and pooling and deal with it in whatever manner it deems most suitable; (c) to dispose of pooled tobacco through the board; (d) to make interim distributions to growers entered in the pools; and (e) when all the tobacco in any pool has been sold and paid for, to wind up such pool and pay the net proceeds to the growers concerned.

In order to carry out these functions the board will be empowered (a) to borrow money on the security of the tobacco or other assets under its control; (b) to decline to accept any tobacco deemed unsuitable and to order its destruction or other disposal; (c) to repack, strip or recondition any tobacco received, when deemed necessary; (d) to recover the administration costs of the pools, such costs to be a charge against the tobacco in the pools over which it shall have a prior lien; (e) to grant advances to any grower who has tobacco in the pools; (f) to issue participation certificates to growers, which certificates may be ceded and the cession thereof registered by the board; and (g) to destroy any tobacco under its control, the loss of which shall be borne by the pool concerned.

ADDITIONAL POWERS OF THE BOARD

In addition to the various powers mentioned above, the board shall have power, with the approval of the minister, (a) to require growers, licensed auction floor owners, and buyers to supply such information as it may determine regarding their operations; (b) to control the procedure in regard to the export of tobacco and the sale of tobacco on any licensed auction floor; (c) to regulate the amount of surplus tobacco which may from time to time be offered for sale on licensed auction floors; (d) to require buyers for the Union of South Africa and for the local market to declare at the time of purchase the market or markets for which their purchases have been made; (e) to incur expenditure for the development of the tobacco industry and the better marketing of tobacco; (f) to seek overseas markets for tobacco by means of advertising or other methods; and (g) to buy tobacco for exhibition or sale in new markets for the purpose of developing such markets.

Heavy penalties are prescribed for infractions of the Act or for contravention or failure to comply with any orders or instructions issued by the minister or the board in the exercise of the powers vested in them by the Act.

For a number of years the tobacco situation in Southern Rhodesia has not been satisfactory, at least from the growers' point of view. This Bill represents an attempt to improve conditions, and as far as can be gathered from the press, it meets with the growers' approval.

DEVELOPMENT OF COMMERCIAL AIR TRANSPORTATION IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, March 4, 1936.—The progress of aviation in South Africa in recent years has been rapid. There are now sixty licensed aerodromes in the Union. The two principal operating services are the South African Airways, subsidized by the Government, and Imperial Airways. In addition, there are charter companies, such as African Flying Services, African Air Transport, and Air Taxi Company. These organizations have planes available for hire at from 16 cents to 50 cents per mile, according to size of machine chartered, and they also operate flying schools. One of these charter companies carried 2,500 passengers last year and covered 180,000 miles. Only modern multi-engined planes are in use on the established services, and ground facilities are being steadily added and improved.

The first service of importance to be established in South Africa was that of the Imperial Airways from Cape Town to London. This was originally a weekly service; then it was made bi-weekly as far as Johannesburg and later to Cape Town. By this service, passengers and mail reach London in nine days as compared with eighteen days by the mail boats.

AIR MAIL RATES

An important factor in the expansion of the transportation services has been the development of air mail facilities. The postage rate within the Union is 1½d. (3 cents) per half-ounce, and to the United Kingdom 6d. (12 cents) per half-ounce. The latter rate is also applicable to mail for Canada, provided the envelope is marked "via Air Mail to the United Kingdom."

South African Airways now carry 300 pounds of mail per week. The parcel post rate within the Union is 9d. per half-pound or portion thereof; and to the United Kingdom the rate is 3s. 6d. Rates to adjoining territories vary from 1s. 3d. to Southwest Africa up to 2s. 9d. to Nyasaland.

SERVICES WITHIN THE UNION

There are now regular services operating between practically all the important centres of the Union, while charter companies are daily extending the sphere of their operations. The three most important are as follows: Cape Town to Johannesburg via Beaufort West and Kimberley; Capetown to Durban via Uitenhage (Port Elizabeth) and East London; and Durban to Johannesburg.

A recent addition to the regular air services within the Union, provided by South African Airways, is one from Kimberley to Windhoek, Southwest Africa, which connects with the Cape Town-Johannesburg services at Kimberley.

FLYING CLUBS

Flying clubs were first established in Africa some eight years ago, when the South African Aero Club, with headquarters at Cape Town, was formed. Other

clubs were subsequently formed, but the number of active organizations has been gradually reduced. The Johannesburg Light Plane Club has 600 members, and the Rand Flying Club, which was formed in 1933, has a membership of 400.

AERODROMES

As stated above, there are sixty licensed aerodromes in the Union. Of these, about thirty are suitable for the large machines employed to-day. The first steps towards providing aerodromes were taken in 1919, following a ground survey made by a Royal Air Force party when carrying out a survey of a route from Cairo to Cape Town.

As a direct result of the inauguration of the Imperial Airways Service in 1929 to South Africa, the three principal airports—Cape Town, Kimberley, and Johannesburg—were opened. The Rand airport is the leading one. Over 800 passengers arrive and depart monthly, and about 700 passenger flights are made. The air mail handled monthly totals over 17,000 pounds, and the average number of aircraft arriving and departing is just under 500.

On the expiration of the present contract between the South African Government and the Imperial Airways in 1937, a new four-day mail service is to be provided in place of the present nine-day service. First-class mail rates, when this service comes into effect, are to be reduced from 6d. to 1½d. per half-ounce. This service will operate from Durban, via the east coast and Egypt, to the United Kingdom, and inland distribution will be undertaken by an internal service of the South African Airways.

NEW RADIO-TELEPHONE SERVICE BETWEEN JAMAICA AND NORTH AMERICAN POINTS

Mr. F. W. Fraser, Canadian Trade Commissioner in Jamaica, writes under date April 14 that a new radio-telephone service between Jamaica and the United States, Canada, Mexico, and the Island of Cuba has been inaugurated.

The minimum charge for the initial three minutes' conversation between Jamaica and Canadian points east of, and including the Province of Manitoba, is 73s. 6d. Rates for other points may be obtained from local telephone exchanges.

SECOND INDIAN WHEAT FORECAST, 1935-36

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, March 20, 1936.—The second forecast, based on reports received from provinces and states comprising a little over 98 per cent of the total wheat acreage of India, or all the important wheat-growing areas of the country, shows that the total area sown is estimated at 33,329,000 acres as against 33,774,000 acres (revised) at the corresponding date of last year, a decrease of 1 per cent.

The crop is reported to have suffered from insufficient rain, but its present condition and prospects appear to be, on the whole, fairly good although more rain is badly needed.

The imports of wheat during the ten months April, 1935, to January, 1936, amounted to 6,600 tons (2,240 pounds) or 246,400 bushels as compared with 7,400 tons or 276,266 bushels and 18,300 tons or 683,200 bushels during the corresponding period of 1934-35 and 1933-34 respectively.

PORTUGUESE CODFISH MARKET

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

(One escudo equals \$0.0442 Canadian at par and \$0.0452 approximately at present exchange; one kilo equals 2.2 pounds)

Milan, April 2, 1936.—Portugal, with a population of some 6,200,000, imports yearly as much codfish as Italy with a population of 43,000,000, imports of this commodity in 1935 totalling 42,175,213 kilos as compared with 43,043,012 kilos in 1934 and 46,302,766 kilos in 1933.

Iceland, credited with 17,002,781 kilos in 1935, is the leading supplier, followed by Norway (11,204,873 kilos), the United Kingdom (6,936,193 kilos), Newfoundland (5,782,827 kilos), and Germany (1,117,139 kilos). France and Denmark were not in the market. An important development in the import trade has been the practical cessation of shipments from Iceland during recent months owing to the inability of producers to meet an abruptly increased demand for codfish from Italy, since Iceland is the only supplier of codfish which has refused to apply sanctions against that country. Her Italian quota of 54 per cent of her 1934 shipments has been raised to 100 per cent.

In 1934 Canada shipped about 122,000 kilos out of 131,679 kilos imported from "other countries," the balance being divided between Holland (6,000), Spain (2,500), and Belgium (700).

Prior to 1927 Newfoundland was the leading supplier of codfish to the Portuguese market, but lost this position during 1927-28 to Norway owing to adverse exchange conditions. During 1928-29 Iceland entered the market, displacing Norway within a year and retaining first place up to the present. Marketing methods of Icelandic shippers are more modern, prices are lower, greater care is given to grading, and the fish supplied has a better appearance.

The Portuguese fishing season is from September to February inclusive, and the national production may be estimated at slightly more than 8,000,000 kilos, or about 18 per cent of the domestic consumption.

As the volumes of production and imports are fairly regular during the year, this market is rather more attractive than others where these conditions do not obtain.

METHODS OF SELLING

The Portuguese codfish market is divided into two trading areas—the southern, for which the distributing centre is Lisbon, and the northern area, served from Oporto. The former is now closed to Canadian fish, but there is still an opportunity for sales in the latter. This situation is owing to the purchasing system, recently introduced, which does not permit of orders being placed by individuals or firms. All purchases from abroad are made by two official bodies or commissions operating under the name of "Gremio," one in Lisbon and one in Oporto.

The Gremios, after a survey of the local situation with respect to production, place orders at the lowest prices obtainable after an import licence has been granted by the *Comissao Reguladora do Comercio de Bacalhau*, a branch of the Department of Commerce at Lisbon, which requires that all purchases be made under the best possible conditions as to price, quality, and delivery. In the case of Oporto the Gremio represents forty-seven firms on behalf of which purchases are made, and distributes the parcels among them on a percentage basis.

The purchasing methods of the Gremios have an adverse effect on sales of Canadian codfish. These organizations are more interested in purchases of large quantities, such as 10,000 bales at a time, as supplied by Iceland and Norway, or a bulk cargo of several thousand quintals from Newfoundland, than in small shipments, as have been supplied in the past from Canada. An

offer of 1,000 quintals, for instance, is not large enough to merit consideration when a division has to be made among a considerable number of firms.

The Gremios also desire, as far as possible, continuity of supply. Canadian shipments to Oporto comprise (1) an early summer shipment and (2) a winter trade. These differ also in the type of fish offered. The early summer imports are of Nova Scotia or early Lunenburg, and the winter shipments are of Gaspé or Carraquet. The Gremios are not interested in Lunenburg fish because of the difficulties of distributing small packages among their forty-seven members. This type of fish was formerly in demand because it was offered for sale early, and individual purchasers who were first on the market obtained a higher price for early supplies. The same applies to the winter or Christmas arrivals, for which there is a seasonal demand from the better-class trade in Oporto.

The Gremios' policy is to buy at the cheapest price, and for both summer and winter trade Canadian codfish is the dearest offered to this market. For this reason, and also because Lunenburg fish is no longer the first to be offered for sale, fish from the Dominion cannot command a premium as formerly.

The following table shows imports from all countries in 1934, with the average price for the product of each country in comparison with that of Icelandic codfish, which is represented by 100:—

Imports of Codfish into Portugal, 1934

	Kilos	Escudos	Average Price Index
Germany	1,225,220	2,617,104	84
Canada	121,840	526,400	173
Denmark	265,376	420,898	63
Spain	2,135	5,434	101
France	2,038,336	3,574,259	70
Holland	6,960	18,600	106
Iceland	17,232,524	43,227,639	100
Norway	11,810,665	32,589,569	110
United Kingdom	5,212,454	15,223,775	117
Newfoundland	5,126,758	14,645,163	114
Belgium	744	2,030	109
	43,043,012	112,850,871	

In order to obtain a share of this market, Canadian quotations must be competitive, and the quantities offered must be large enough to interest the official purchasing organizations. Continuity of supply and a standard of quality are also essential.

The application of quotas is no assurance of heavier sales by Canadian shippers. Of all the countries supplying codfish, Norway is the only one having an agreement with Portugal for a share of the market. She has been granted a quota of 40 per cent of the total imports in return for which she must purchase annually 29,000 hectolitres of port wine. Despite this agreement, Norway has had to sell at prices to compete with Iceland.

The Gremios, in pursuance of their policy of paying low prices, do not take into account the trade balance between Portugal and a country supplying codfish to that market. Imports into Portugal from Iceland and Newfoundland consist almost entirely of codfish, and since these two countries buy practically nothing from Portugal they enjoy a favourable balance. Norway might be in the same position were she not obligated to buy port wine. Denmark and Canada, on the other hand, ship only small quantities of codfish and buy more from Portugal than they sell to that country.

To enter this market or to expand their codfish trade with Portugal, Canadian shippers must give particular attention to curing, grading, and packing. The fish should be hard-dried, by natural methods only, as imports of dried fish prepared or preserved with borax or boracic acid are prohibited. The fish must be shipped in casks or cases and classified according to Portuguese standards.

MR. TURCOT'S TOUR OF CANADA

Mr. Henri Turcot, Canadian Trade Commissioner in Brussels, will shortly complete his tour of the principal centres of Canada in the interest of Canadian trade with Belgium. He will visit Montreal, Granby and St. Hyacinthe from May 4 to 8, and Quebec City on May 9.

Firms who wish to be brought in touch with Mr. Turcot should communicate, for Montreal, with the Montreal Board of Trade; and for the other centres with the respective Board of Trade or Chamber of Commerce.

CHILEAN WINE INDUSTRY

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, Peru, March 31, 1936.—The Chilean wine industry has recorded a striking growth during the past few years, so much so that at present Chile possesses some 200,000 acres of vineyards representing a total value of 1,000 million pesos. From 1920 to 1934 Chilean wine exports rose from 175,000 gallons to 1,773,000 gallons, indicating an increase of over 1,000 per cent in fifteen years.

Chile has risen to seventh place among world wine-producing countries and occupies second place among those of the Western Hemisphere. It is one of Chile's most flourishing industries, made so through favourable climatic and soil conditions, and forms one of the strongest pillars of national economy, capital invested, almost in entirety, being Chilean.

The Chilean Government is directing its efforts towards the organization of wine-growers and wine merchants into export consortiums. This is being done through the Ministry of Agriculture and the Under-Secretariat of Commerce. The purpose of the export consortium is to build up stocks of better-quality wines for export and to guarantee shipments by means of special trade marks. Wines intended for export are subject to examination and inspection under rigid trade regulations designed to maintain a high quality in all wine shipped abroad.

Exporting firms are obliged to register with the Ministry of Commerce and must fulfil the required conditions laid down in the export regulations with reference to the alcoholic content, total and volatile acidity, dry extract, sulphates, etc. The classification of commercial brands of wine must correspond to the peculiar characteristics and the composition correspond to the type of wine and the zone of origin. The fulfilment of such necessary requisites is verified by chemical analysis and export sampling at special laboratories at the hands of competent experts, who then issue certificates.

The inspector of the Commercial Control of Exports, which functions in the customs houses under the technical direction of the Under-Secretariat of Commerce, on presentation of these documents, authorizes the loading of such shipments, once the trade and shipping marks have been reviewed. All shipments of Chilean wines are to bear the "Chile" stamp of origin.

ECONOMIC CONDITIONS IN CUBA IN 1935

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Havana, April 5, 1936.—Cuba, following the political disaffection in 1933 and the record low prices for sugar during the quinquennium 1930-34, was during the greater part of 1934 at its lowest economic point in many years. With the conclusion of the United States-Cuba Trade Agreement in August, 1934, which increased the preferred position of the United States in the market, the buying power of Cuba was greatly enhanced as the United States bound itself to a sugar quota at prices about double those which obtained during the previous year. The

treaty went into operation during the last four months of the year, but it was not until 1935 that its effect was widely felt. In all indices of commerce great strides were made throughout the year, and each month showed new levels over previous corresponding periods.

SUGAR

The Jones-Costigan Act of 1934 in the United States, by means of which quotas were granted to certain sugar-producing countries, including United States possessions and Cuba, paved the way for the treaty between the United States and Cuba. A quota of some 1,600,000 long tons of sugar for 1935 was provided for. Throughout the year prices averaged 2·331 cents per pound (excluding duty) in New York as compared with 1·50 cents during 1934. The average world prices during those years were 0·999 cent and 1·04 cent per pound on a cost-and-freight New York basis. The average official f.o.b. prices for all sugar sales, used as the basis for settling cane purchases, was 1·26 cent in 1934 and 1·74 cent in 1935, the highest since 1928, when it was 2·38. The Cuban Government early in the year fixed production at 2,315,002 long tons, but this was exceeded by some 222,383 tons. For this reason considerable stocks remained on hand at the end of the year, which has necessitated the restriction of the 1936 crop to well below the level in 1935. Stocks available for the United States totalled 700,784 long tons, this being a carry-over from the autumn, as the United States quota was filled more than two months before the close of the year. The estimated market for 1936 is 2,515,000 tons. Production is to be that amount less the carry-over available for the United States or, roughly, 1,815,000 long tons. The United States quota is approximately the same as it was for 1935, or 1,632,342 long tons. The greatly increased average price obtained for sugar throughout the year enabled sugar-mill operators to pay increased wages, added appreciably to the national revenue, and made way for greatly increased purchases from abroad.

TOBACCO

Cuba's second largest industry, tobacco, has passed through a number of most difficult years as a result of very high tariff and excise tax barriers raised abroad. The situation was somewhat relieved during 1935, when exports of this commodity amounted to \$15,699,475 as compared with \$14,496,147 in 1934. An appreciable increase in leaf-tobacco exports took place, from 26,508,185 pounds to 30,901,174 pounds, and in cigarettes from 32,540,765 pounds to 33,693,017 pounds.

Conversely, there was a large reduction in the exports of cigars from 49,227,411 to 40,924,390. The United States market was responsible for the increased value in tobacco exports, the United Kingdom market—always an important one, particularly for cigars—showing a reduction of about \$150,000, although over one-half of the cigars exported were purchased by that market. This was a decrease of almost 2,000,000 cigars from the previous year. Prospects for 1936 indicate that the levels obtained in the previous year probably will be maintained.

TOURIST TRAFFIC

During the years of prosperity in the United States, Cuba conducted a thriving business in tourist traffic. With the repeal of prohibition in the United States and the political unrest in Cuba, during the last quarter of 1933, the decline in this business, which commenced in 1931 and 1932, became very marked. Further declines took place in 1934, to 17,257 persons, but with the returning stability during 1935 an advance of about 60 per cent, or to 28,474 persons, was noted during that year. It is estimated that the total value of tourist traffic to Cuba amounted to \$7,487,775 in 1935, an increase of about \$1,600,000 over the previous year, but only about one-quarter of the value of the peak year 1930, when the estimated worth of tourist trade was \$28,569,100.

BUSINESS INDICES

Effects of the general improvement in the island republic are shown in certain indices, apart from those of foreign trade, which showed marked advances.

Bank clearings totalled \$484,630,397 as compared with \$377,471,883 in 1934 and \$301,891,949 in 1932. Collections throughout the year showed general signs of improvement, although during the last quarter, owing to the impending national election, business was done on a strictly hand-to-mouth basis. This method was carried on until after polling day on January 10, 1936, when some easing of the tightness of credit and some expansion of buying became noticeable, although not to the extent expected, as grinding of sugar-cane takes place in the first quarter of the year and large sums of money become available for wages almost only during that period.

Receipts of the Cuban Government, amounting to \$66,712,299, were more than one-third higher than during 1933, when they totalled \$48,663,229, while the advance to \$59,893,437 in 1934 was exceeded by more than 10 per cent.

Customs receipts from Havana, which comprise about 70 per cent of those for the entire island, although increased to \$28,726,174 from \$25,265,437 in 1934 and \$17,947,164 in 1933, did not show the advance expected due to the greatly increased trade during the year. This was attributed to the materially reduced customs duties on all goods from the United States and the large quantities which were imported immediately after the trade treaty with that country came into effect in 1934.

RAILWAYS AND UTILITIES

Among leading railway and utility companies the United Railways of Havana showed an improvement in gross receipts from \$5,459,080 in 1934 to \$6,153,879 in 1935, but continued to pass dividends as operating receipts fell well below operating expenditures and bonded indebtedness. The Havana Electric Railway Company showed a slight falling-off in receipts from \$2,665,345 to \$2,580,869, or less than one-half of those in 1930. One index of improved conditions in the country is the development of the use of telephones, the subscribers to which increased to 37,943 in 1935 from 31,589 in 1933 and 31,650 in 1934.

Motor car and truck purchases during 1935 were greatly in advance of the two previous years, there being 3,201 of the former and 1,190 of the latter imported, as compared with 1,051 and 1,223 respectively in 1934 and 440 and 390 in 1933. Dealers in motor vehicles anticipate a much greater turnover in the early months of 1936 and a total trade for the whole year of considerably greater volume than during 1935, as a result of the early release of new models in the United States and the improved economic conditions in the island republic.

FOREIGN TRADE

The clearest indication of the economic upturn in Cuba is the great advance in foreign trade during the year under review. According to preliminary figures recently issued, total imports amounted to \$95,464,502 as compared with \$42,361,520 in 1934, an advance of more than 125 per cent, while exports advanced from \$107,746,409 to \$128,017,331 or about 25 per cent.

As has been indicated, the trade and other economic betterments have been due directly to the Cuba-United States trade agreement of August, 1934, and it is therefore natural that in both import and export increases the United States has shared by far to the greatest extent. Of the total imports, \$55,673,575 were from the United States (\$41,225,012 in 1934), while of the total exports \$101,549,988 were for the United States as compared with \$81,093,676 during 1934. A comparison of both imports and exports in 1935 shows the effects of the trade agreement generally; all figures in parentheses are for 1934.

IMPORTS

According to Cuban preliminary statistics, British India with \$5,145,329 (\$4,580,427) was second to the United States among the twenty-five leading

foreign sources of supply. The other chief exporting countries to Cuba are indicated in order:—

Spain, \$4,819,164 (\$4,051,252); Germany, \$4,427,625 (\$2,905,194); United Kingdom, \$4,105,043 (\$3,941,149); Siam, \$3,256,104 (\$1,702,431); Japan, \$2,548,749 (\$3,136,090); France, \$2,436,548 (\$1,455,673); Dutch West Indies, \$1,502,524 (\$1,623,228); Netherlands, \$1,240,797 (\$541,685); Canada, \$1,171,570 (\$1,196,005); Mexico, \$1,083,546 (\$1,128,042); Chile, \$893,927 (\$529,006); Italy, \$887,490 (\$625,887); Belgium, \$824,486 (\$790,226); Ireland, \$667,020 (\$517,115); Venezuela, \$663,509 (\$783,019); Norway, \$656,680 (\$459,739); Argentina, \$474,185 (\$253,195); Czechoslovakia, \$422,225 (\$207,219); China, \$399,710 (\$147,844); French Indo-China, \$242,065 (\$237,992); Switzerland, \$239,587 (\$225,276); Sweden, \$223,293 (\$326,391); Dutch Oceania, \$163,809 (\$103,691); Ceylon, \$135,186 (included with British India).

EXPORTS

As has been indicated, the United States is Cuba's largest market, buying goods to the value of \$101,549,988 (\$81,093,676) in 1935, or almost four-fifths of the total exports of \$128,017,331 (\$107,746,409). Exports to the United States almost doubled those of 1933, when they amounted to \$57,112,095. This noteworthy increase is accounted for almost entirely by the higher prices offered for sugar and the quota following the trade agreement. The other leading markets for Cuban products in order of value during the year under review, according to Cuban preliminary statistics, were as follows:—

United Kingdom, \$13,978,659 (\$14,498,311); Germany, \$2,274,550 (\$793,099); France, \$2,243,391 (\$3,155,483); Spain, \$1,830,086 (\$2,374,868); Netherlands, \$923,634 (\$858,857); Belgium, \$580,565 (\$688,033); Argentina, \$562,859 (\$586,656); Sweden, \$428,563 (\$295,184); Canary Islands, \$400,873 (\$518,140); Morocco, \$394,829 (included in French African possessions, \$53,293); New Zealand, \$357,176 (\$203,243); Puerto Rico, \$352,343 (\$267,784); Canada, \$255,222 (\$520,919); Uruguay, \$209,352 (\$172,471); Egypt, \$185,161 (\$5,341); China, \$160,504 (\$283,909); Jamaica, \$158,051 (included with British West Indies, \$176,390); Chile, \$148,818 (\$138,765); Panama, \$111,024 (\$56,734); British Africa, \$87,076 (\$90,777); Honduras, \$80,496 (\$11,792); Italy, \$65,647 (\$12,772); Colombia, \$61,739 (\$15,347); Australia, \$59,603 (\$58,678); Dominican Republic, \$53,124 (not shown in 1934).

On March 15, 1935, a decree-law was passed in Cuba which required countries selling to Cuba to buy 50 per cent of the value of their sales in order to obtain the benefit of the minimum tariff. Those countries purchasing between 25 and 50 per cent of sales were subject to the minimum tariff plus a surcharge of 25 per cent; all countries purchasing less than 25 per cent were placed under the maximum tariff. This method of bringing about a greater trade balance than existed before this law came into effect had far-reaching effects, and a number of countries, including Germany, Denmark, Czechoslovakia, and Belgium, concluded treaties under which they engaged themselves to increase their purchases from Cuba. While some of these countries did not reach the required 50 per cent, there was a perceptible increase in buying by nearly all of them, and the law has been extended to 1936. Canada was not affected in 1935, as the trade balance for the previous year was satisfactory.

MANUFACTURE OF AND IMPORTATION OF ALCOHOL INTO ARGENTINA

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

(Conversions have been made at the current rate payable by importers without exchange permits, namely 4.10 pesos per Canadian dollar. Where feasible litres have been converted to imperial gallons at 0.22 gallons per litre, but the litre is always used in Argentina.)

Buenos Aires, March 20, 1936.—The production of alcohol in Argentina is dependent almost entirely on the consumption, since it may be said that imports do not fulfil any of the ordinary demand, and the present productive capacity is considerably in excess of requirements. Molasses, grain, and wine alcohols are the types principally produced; except for a small amount of amyl, butyl,

and methyl alcohol there are no imports for ordinary purposes. As Argentina produces most of its own sugar, is the world's largest supplier of corn, and has an overproduction of wine, there is no lack of raw materials for the production of such alcohol. There is not, however, any production of methyl or isopropyl alcohol, and this is the only alcohol imported in quantity.

PRODUCTION

Not only is Argentina in a position to supply its own requirements of ethyl alcohol, but it is able to meet any foreign demand that might develop, as far as the quantity is concerned, although it would seem that the costs of production are higher than European costs since only a small portion of Uruguay's imports of ethyl alcohol are supplied by Argentina. Although exports are unimportant at the present time, during the world war Argentina became a fairly large supplier, reaching 3,520,000 gallons in the peak year of 1916.

STATISTICS OF PRODUCTION

The following table gives the production of alcohol in Argentina, divided into the three principal raw materials used in manufacture:—

	Molasses	Grain	Wine
	Figures in 1,000 Gallons		
1925-29 av.	4,113	653	300
1930	4,492	498	692
1931	4,067	556	528
1932-33	3,096	448	309
1933-34	2,436	455	770
1934-35	3,920	767	*

* Not available.

Up to 1931 the statistics of all production are given by calendar years, but subsequently the grain and molasses figures are for the commercial year beginning on June 1 of each year, so that there is a gap from January 1, 1932, to May 31, 1932, that is not covered by the statistics. However, the figures of production of alcohol from wine are always given for the calendar year.

Furthermore, the statistics for grain and molasses alcohol up to 1929 were compiled for alcohol of 100°, whereas since 1930 the figures represent volume. From 80 to 87 per cent of the production is fit for consumption and probably averages 96½°, the balance being alcohol mostly of 95° that is not suitable for human consumption. Thus the average for 1925-29 should be increased slightly for a more accurate comparison of the present production of grain and molasses alcohol.

The figures for vinic alcohol are reduced to alcohol at 100° except for the years 1928 and 1929, when volume was used. In 1933 about 73 per cent was alcohol higher than 55°, the balance being under this figure.

Grain alcohol is produced throughout the year, but molasses alcohol is manufactured almost entirely during the months of June to December, during the sugar harvest; the months of July to October inclusive were responsible for about 85 per cent in the calendar year 1935.

CENTRES OF PRODUCTION

The principal centre of production is in the northwestern province of Tucuman, which is the main sugar-producing zone. This province is responsible for about 62 per cent of the total production of molasses alcohol and about 52 per cent of all grain and molasses alcohols combined. The province of Tucuman is about 650 miles by rail from Buenos Aires, and the other molasses-alcohol-producing provinces of Jujuy and Salta are still farther north. In 1934 there were fifteen distilleries operating in Tucuman, as compared with four in other parts producing molasses alcohol.

On the other hand, the grain alcohol is all distilled by one factory in the province of Buenos Aires, only a short distance from the capital. This factory is capable of a considerably higher output and manufactures small quantities of butyl, propyl, and amyl alcohol, as well as absolute alcohol. Corn is used exclusively by this plant.

The vinic alcohol is produced in the wine provinces bordering on the Andes, but principally in the province of San Juan, about 590 miles west of Buenos Aires. The fact that this production is far from the capital is not important, since the bulk of the production is used in the wine industry of the same provinces.

IMPORTS

In view of this substantial local industry, there are practically no imports of alcohol other than those brought in by the Government for denaturing purposes. The comparatively long freight haul required for the bulk of the production to bring it to the main consuming centres is offset by ample customs protection and, in recent years, by the depreciated value of the Argentine peso.

Actually Argentina has never been a large importer of alcohols since the local industry is of long standing. The total imports of all alcohols (excluding Government requirements) amounted to 8,350 kilograms in 1934, which represents a decrease from the previous year. These figures do not include any ethyl alcohol, as this is not imported even in small quantities, but represent methyl, butyl, and amyl alcohol principally.

The Argentine Government, which carries out all denaturing operations, imports each year substantial quantities of both methyl and isopropyl alcohol. Up to the present the Government has insisted on using methyl alcohol from the destructive distillation of wood, and does not buy the synthetic product called methanol. These purchases are made by tender at roughly one-year intervals. The last tenders, opened in February of this year, called for 198,000 gallons of methyl alcohol and 33,000 gallons of isopropyl alcohol. The previous tender was opened in December of 1934 and covered 132,000 gallons of methyl and 22,000 gallons of isopropyl alcohol.

METHYL ALCOHOL SPECIFICATION

The following is a statement of the properties specified by the Government in its tenders for methyl alcohol:—

(a) Specific weight must not exceed 0.834 at 15°C.

(b) Acetone content must be between 12 and 16 grams per 100 cubic centimetres, as determined by the Messinger method.

(c) It must contain a minimum of 2.6 grams and a maximum of 5 grams of esters per each 100 c.c. expressed as methyl acetate and pyrogenic impurities that give to the product a strong and characteristic odour of the raw materials of the distillation of wood. These impurities are sufficient to require a minimum of 15 c.c. and a maximum of 25 c.c. of alcohol to discolour a valorized solution of 50 c.c. of bromine and 50 c.c. of distilled water.

(d) It must be a liquid, and its clear yellow colour must be no darker than a fresh mixture of 2 c.c. of a N/10 solution of iodine in 1,000 c.c. of distilled water.

(e) It must not contain, for the completion of 100 volumes, substances other than water and methyl alcohol, free from all combination; that is 72 per cent methyl alcohol by volume as a minimum determined by the Denigés-Villavecchia method.

(f) It must have a neutral reaction, with a tolerance of acidity of 0.01 per cent expressed in sulphuric acid. Should the alcohol prove alkaline, 25 c.c. must be neutralized by 5 c.c. of N/10 acid solution. The reaction will first be determined with litmus; should it be acid it will be titrated with phenolphthalein and, if alkaline, with methyl orange.

(g) There will be accepted for each delivery two densities as a maximum, it being understood that each one must correspond to lots not less than 100,000 litres. If the first three decimal places of the respective densities are similar, they will be admitted as equal.

PRICES AND DELIVERIES

Prices must be offered c.i.f. Buenos Aires, and may be in foreign currency. The prices must cover new iron drums, galvanized outside, and not larger than

88 gallons, with one single opening fitted with a washer of leather or greased fibre. Payment is made in the currency of quotation for each lot after it has been accepted. Each tender must be accompanied by a deposit of 3 per cent of the total amount, which will be returned to the firms whose offers are not accepted. The firm, or firms, receiving the tender must raise this deposit to 10 per cent within three days of acceptance. This deposit is returned when the total amount has been delivered. As in all Government tenders, offers must be made by an accredited firm with a legalized power of attorney from the firm supplying the alcohol.

In the last tender delivery was specified in six lots of 33,000 gallons each, the first delivery to be made within forty-five days of notice of acceptance, and thereafter each part within two months of the delivery of the last.

The last tender for methyl alcohol was secured by one firm in Buenos Aires representing exporters in Germany, Yugoslavia, and Czechoslovakia, at the following prices per 22 gallons in each case: 66,000 gallons at 39.298 reichsmarks, 99,000 gallons at 392.42 dinars, and 33,000 gallons at 380.32 kronas (Czech.). The tender for isopropyl alcohol was given to one of the large United States oil interests established in Argentina at U.S.\$20,250 for the 33,000 gallons.

DUTIES AND INTERNAL TAXES

Actually, since the main import trade is with the Government and consequently pays no duties, the duties on alcohols are of little importance. However, they are given as follows out of interest and for comparison when considering competition from abroad with Argentine production:—

Amyl or methyl, 61 centavos per net kilogram (14.87 cents Canadian); ethyl in bulk, 23.2 centavos per litre (5.65 cents) for alcohol of not more than 79°, plus 2.27 centavos (0.55 cent) for each degree over this figure; other alcohols, in casks or drums, 1.835 peso per gross kilogram (44.75 cents); in flasks or tins, 3.05 pesos per net kilogram (74.39 cents).

Alcohols are taxed at the present time at the rate of 3 centavos per litre (0.73 cent) and per degree. Vinic alcohols are charged 2½ centavos per litre (0.6 cent) and per degree, provided such alcohol is not over 75°; if over this graduation vinic alcohol pays the same tax as the other alcohols. Denatured alcohols are exempt from these taxes.

CONSUMPTION

It is estimated that about 50 per cent of the total production of grain and molasses alcohol fit for consumption is used directly in the manufacture of alcoholic beverages and in hospitals and the universities. Based on the 1934-35 production, this would represent about 1,911,000 gallons used for this purpose, the balance, plus the production unfit for consumption, making a total of about 2,775,000 gallons being denatured and used for fuel, motor power, lighting, varnish, paint, and perfume manufacture, and for external medicinal use.

Amyl, butyl, and propyl alcohols are used in such small quantities that local production is still insignificant. There is, however, a small outlet of these alcohols for analysing purposes, particularly with the dairies, and also in the manufacture of paints, varnishes, and inks. The vinic alcohols are almost entirely used for the manufacture of vermouths and other wines, and there is little sold as straight alcohol, the majority being consumed in the provinces of production.

DISTRIBUTION

The distribution of alcohol of local manufacture is made through a number of firms who purchase the production of the various distilleries and sell it as alcohol and liqueurs under their own name. Except in the case of the manufacturer of grain alcohol, the distilleries themselves do not market their own production. The grain alcohol distillery sells its own product in different forms.

For the Government business, any representative registered in Argentina with a power of attorney from the foreign factory could submit a tender. The last tender for methyl alcohol was secured by one of the largest alcohol distributors in this market, acting on behalf of producers of the three different countries previously mentioned. Some years ago Canada secured a part of this business, and it should be possible to again enter the market provided quotations can meet those mentioned in this report.

EXCHANGE

There is, of course, the question of exchange to be considered, and the fact that official exchange can only be obtained for imports from Canada for limited amounts of agricultural implements and newsprint paper at the present time might effectively prevent Canadian distilleries from competing in the lack of an exchange permit. Without such a permit the exchange would cost 20 per cent more, although no restriction would be placed on the remittance if the higher rate were to be paid.

CENTRAL CHINA FISH TRADE

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, March 24, 1936.—Fish constitutes one of the chief foods in the daily diet of the people of Central China. Along with a little pork, fowl, and dried vegetables, it is a supplement to certain grain staples such as rice, maize, millet, and flour.

DOMESTIC FISHERIES

Although the Ministry of Industry of the Chinese Government has in recent years been giving consideration to the development of China's fishing industry, no reliable statistics of production are as yet available. It can be taken, however, that China's inland and sea waters abound in fish, and the yields are known to be enormous.

FRESH-WATER FISH

China possesses an extensive system of inland waterways, and numerous types of fish are to be found in them. One authority states that various species of carp form the bulk of the fresh-water fish. Other common varieties include the mandarin, serpent head, a number of types of catfish, the finless eel, and the common eel.

Most of the fresh-water fish handled on the Shanghai market comes from the Province of Kiangsu, in which Shanghai itself is located, and from the neighbouring province of Chekiang. The methods employed are as varied as the species of fish themselves, but netting and trapping are the principal devices used. Cormorants are also employed on the interior lakes and streams.

DISTRIBUTION

There are numerous waterways leading to Shanghai by which fishermen reach this market with their cargoes kept alive in water-tight holds in their sampans. Boats also come to this market with fresh live fish packed in tanks or tubs. This is the only means of transportation as there are few railway lines available and there are no refrigeration facilities on them. The lack of refrigeration applies also to most of the river and coastal vessels engaged in the fishing trade.

SALT-WATER FISH

The coast of Central China is indented and irregular and contains a number of excellent fishing districts. The bulk of the salt-water fish supplied to the

Shanghai market is caught off the coasts of Kiangsu and Chekiang provinces, and to a lesser extent off the coast of Shantung in Northern China. The city of Ningpo in Chekiang is the most important fishing station in China, and there is a daily service between Ningpo and Shanghai bringing fish packed in ice or in salt.

The salt-water fish found in China's coastal waters takes in a wide range and includes a species of bass, mackerel, herring, flat-fish, skates, marine eels, tunny, sword-fish, etc. Shell-fish such as oysters, shrimps, and prawns are also plentiful.

The methods of catching vary widely. Along the shore traps and dip-nets are used. At sea native sailing junks are supplemented by steamers employing manual and steam trawls. One authority estimates that approximately 25 per cent of the salt-water fish brought into Shanghai is caught by trawlers, the bulk of the balance being accounted for by numerous Chinese junks fishing off the coast.

DISTRIBUTION AND SALES

Apart from the restricted cold storage available in certain cities for the needs of the small foreign communities, there are, with the exception of Shanghai, very few refrigeration facilities in Central China. As a result probably half of the salt-water fish in this territory is sold fresh shortly after being caught and the balance is dried or salted. The larger vessels take ice and salt out with them and the catch is brought to market as quickly as possible. Salt-water fish is generally packed in 50-pound boxes, but this practice is not followed by the smaller fishermen, who simply bring their catch to market in bulk.

In addition to native-caught fish, according to the Chinese Maritime Customs statistics a considerable volume of fresh fish is credited to Japan. This probably consists of fish caught by Japanese steam and motor trawlers operating in the Yellow Sea between Korea and the Northern China coast and between Formosa and the coast of Central China. The largest proportion of these imports goes into Northern China markets rather than to Shanghai.

The primary distribution of salt-water fish in Shanghai takes place through numerous dealers who specialize in this trade. These dealers are organized in an association to protect the interests of its members against outsiders, and to arbitrate in the case of internal disputes. In addition to locally caught fish, they handle practically all the imported fish sold in Shanghai. Among these dealers are various firms specializing in the handling of the different varieties such as salted herring, salted salmon, etc.

Practically all fish, either salt- or fresh-water or imported, is sold wholesale at so much per picul (133½ pounds).

NEW FISH MARKET AT SHANGHAI

Shanghai is by far the most important fish distributing centre in China. In spite of the volume of business transacted in this city, the facilities for handling fish are inadequate, and in an effort to improve the organization of the trade the Ministry of Industry has fostered the construction of a modern fish market. The building of this market was commenced in November, 1934, and it is now almost ready to be opened. The area occupied consists of 8 acres, and the building itself is said to have cost one million Shanghai dollars. This new fish market comprises a wharf 600 feet long leading to three godowns capable of holding 1,000 tons of fish each, a cold storage plant with a 1,500-ton capacity which can turn out 50 tons of ice daily for market sale, the market itself, and accommodation for dealers' offices.

IMPORT TRADE IN FISH

Notwithstanding the enormous quantities of native fresh-water and marine fish which are available in China, this market absorbs annually a large volume of imported preserved fish.

Excluding canned fish, the total value of fish and fish products imported into China proper from foreign countries during the last three years, along with the imports into Shanghai over the same period, are given as follows:—

	1933	1934	1935
	Gold Units	Gold Units	Gold Units
Total imports	11,508,881	9,269,423	9,997,501
Imports to Shanghai	3,737,876	3,340,364	3,109,741
	1933	1934	1935
Average value of gold unit	Can.\$0.52	Can.\$0.66	Can.\$0.68

From the above figures it will be seen that during the past three years Shanghai has been responsible for roughly one-third of the total fish imported into China.

TYPES OF FISH IMPORTED

The chief imports, according to the group headings in the import statistics, are the following: seaweed and agar-agar, awabi, compoy, bicho de mar, cuttlefish, dried codfish, smoked fish, fresh fish, salted herring, salted salmon, mussels oysters and dried clams, dried shrimps and prawns, and sharks' fins.

SALT FISH

With the exception of dried salt fish, the bulk of the imports above are of a type not available from the Dominion. It is of interest to note, however, that the combined value of the imports of salted herring and salted salmon account for approximately one-third of the total value of all fish imports into China.

SALTED SALMON

Imports of salted fish not otherwise recorded for the past three years are given below:—

1933		1934		1935	
Quintals	Gold Units	Quintals	Gold Units	Quintals	Gold Units
359,604	3,997,831	269,492	2,265,191	382,779	2,518,261

(One quintal equals 220 pounds)

The largest item under this heading is dried salted salmon. The sources of this fish are chiefly the waters of Saghalien and the Kamchatka Peninsula. During the past three years this trade, which has been shared between Russia and Japan, has to an increasing extent come under the control of the Japanese. In the 1934 to 1935 season it is calculated by one authority that Russia accounted for approximately one-third of the total imports into China, but during the 1935 to 1936 season, just ending, it is reported that no shipments have been received from Russia.

The first shipments of salted salmon commence to reach the Shanghai market around the beginning of September, and arrivals continue up to April. Salted salmon caters to a poor-class trade, but sells as a rule at slightly higher prices than dry salt herring. Until recent years consumption was confined to the cooler months, but lately, due to cheap cold storage space becoming available as a result of a decline in the demand for such space because of the depression in the frozen egg export trade, the consumption of salted salmon has been extended to an almost year-round trade. The frozen egg trade experienced some improvement in 1935 over the previous year, but is still operating on a considerably reduced basis by comparison with preceding years. As long as this relatively cheap storage situation continues, presumably it will be profitable for dealers to handle this fish through the hot months.

The Japanese and Russian salted salmon shipped to the Shanghai market is a low-grade product, referred to locally as "dog salmon," and the method of curing is crude by comparison with Canadian practice. After being caught the fish are cut at the bellies by hand and gutted. They are next washed in clear fresh water, after which salt is rubbed into the bellies and also on to the outside skin. The fish are then piled in the open, a layer of fish and a layer of salt. These piles are covered over with matting as protection against the weather and left for about two weeks. The fish are then shipped to Shanghai in bags or wooden cases containing approximately 100 pounds each. The average time from Hakodate, chief shipping port, is about seven days.

Although the Canadian salted salmon trade to Japan is on an established basis, this Canadian product has not up to the present become a serious factor in the Shanghai market. Several years ago a small shipment was brought into Shanghai from British Columbia, but the fish were not gutted and arrived here in spoiled condition. A further obstacle was the fact that the Canadian salmon shipped was too large for this market, where salted salmon is sold retail by the individual unit and not by weight. It has therefore been difficult to effect sales even when Canadian prices appeared competitive. However, one importer who has had previous experience with Canadian salted salmon has intimated his intention of undertaking further experimental shipments next season, and provided this fish can be gutted and offered at competitive prices it is hoped that it may be possible to establish an outlet for this class of fish in the Shanghai market.

DRY SALT HERRING

Dry salt herring ranks next in importance to salted salmon in China's fish import trade. Below are given imports for the last three years, along with the chief sources of supply:—

	1933		1934		1935	
	Quintals	Gold Units	Quintals	Gold Units	Quintals	Gold Units
Total	98,477	787,042	113,969	757,559	150,073	720,239
Canada	38,411	280,631	56,311	391,522	67,985	324,368
Japan	15,930	122,719	24,545	140,828	30,783	168,470
Korea	8,774	75,813	4,652	28,968	2,971	16,506
United States	29,360	255,505	23,937	171,307	38,866	155,716

Canada is the chief shipper to this market. Although the above figures credit the United States as a source of supply, it is known that these statistics constitute almost entirely Canadian fish shipped from Seattle. A considerable proportion of the imports from Japan is probably Korean herring, which is a different type from the Canadian and larger in size. It sells at slightly higher prices, is not gutted, and is salted in the same manner as Canadian. However, while it can be said to compete in one sense in that it is salted herring, the season of arrivals in this market is confined to February and March, and the total production is understood to be limited.

Shanghai is the chief distributing centre in Central China for Canadian salted herring. Imports are reshipped from here to Ningpo, Hangchow, and other centres in Chekiang Province, to points between here and Nanking on the railway, other cities in Kiangsu Province, and to the ports of Swatow and Foochow to the south of Shanghai.

British Columbia salted herring commences to arrive in Shanghai usually in November and continues up until the end of March. Shipments are made in wooden cases containing approximately 400 pounds each; no refrigeration is employed as the trade could not stand the extra cost. The same condition applies to internal distribution here, although occasionally small stocks are carried over from one season to another in cold storage at Shanghai.

The import figures given above apply of course to the whole of China proper, and being on a calendar year basis accordingly do not reflect the true picture by seasons. Below are given figures covering shipments to Shanghai of

Canadian salted herring by seasons from the 1930 to 1931 to the 1934 to 1935 periods as supplied by the British Columbia Salt Fish Board. The figure for the 1935 to 1936 season is based on the record of arrivals at Shanghai of Canadian salted herring as compiled by this office for the season just closing (in short tons of five boxes each): 1930-31, 13,844; 1931-32, 8,522; 1932-33, 3,663; 1933-34, 5,536; 1934-35, 6,257; 1935-36, 2,300.

The above figures by seasons show that since the 1930 to 1931 period imports to this market have been on a lower scale. Since that season there has been from the standpoint of the export industry in British Columbia a steady deterioration in the trade, which has been reflected, with the exception of 1933-34 and 1934-35, in lowered shipments.

Causes of Declining Trade.—There appeared two fundamental causes for this decline, the first arising from a decrease in the purchasing power of the consuming masses due to the increasing extent with which the world depression was felt in China, plus external political difficulties, which reached a climax in so far as Central China was concerned in the Sino-Japanese hostilities in Shanghai in 1932, and more broadly speaking, in the widespread anti-Japanese boycott which prevailed. The second fundamental cause was the severe decline in the value of silver, which became especially marked from 1931. This last-mentioned factor resulted in the price of dry salt herring in terms of Chinese money becoming higher than in earlier years at a time when the consumers' purchasing power was weakened.

These factors had the inevitable effect of increasing sales resistance and encouraging the growth of unsatisfactory trade practices such as consignment shipments, and indeed led to a general disorganization of the trade. So serious was this condition that in spite of the upward trend in the value of silver which set in by 1934, and which under ordinary circumstances would have improved the trade, it failed to do so in so far as the British Columbia salted herring industry was concerned, in spite of the fact that shipments increased somewhat.

Change in Channels of Distribution.—Quite apart from the reduced volume of the trade arising from the condition just described, the unsatisfactory state of this trade also resulted in altering to a marked degree the channels of distribution. The business became so risky that it was no longer acceptable to several old-established occidental foreign firms who had previously been important factors. It would appear that those foreign firms who remained in the trade found themselves handicapped by increasing financing difficulties.

The net result was that by the 1934-35 season the trade had passed largely into the hands of a few Japanese and Chinese firms who, with their smaller overhead and more intimate contact with the dealers, were in a position to cope with the market risks involved. They were willing at times to take market and exchange risks and to enter into contracts with the dealers on a landed duty-paid ex-godown basis in local currency. This was a procedure which foreign occidental firms were either unable or unwilling to adopt.

The general disorganization of this trade was illustrated by the manner in which fish was offered to this market as each season progressed, at disastrously weakened prices and even shipped on a consignment basis. This naturally encouraged buyers to postpone their orders, knowing that they were purchasing on a falling market.

British Columbia Salt Fish Board.—Steps were taken to improve the situation in the producing industry through the establishment in November, 1934, of the British Columbia Salt Fish Board by the Federal Ministry of Fisheries. Authority was given this board to control the production and exporting of dry salt herring from British Columbia. Only those exporters licensed by the board are now permitted to ship salted herring, and they are required to sell at prices established by the board. This supervision has provided the means for stabilizing the market and eradicating the evils of consignment shipments.

A representative of the Salt Fish Board was sent to the Orient prior to the opening of the 1935-36 season in order to investigate the market prospects and to make recommendations as to the method of distribution on this side. Unfortunately, as far as the Shanghai market was concerned, the financial crisis which this city had been experiencing for well over a year was by last September becoming steadily more acute, and a general lack of confidence was evident in all business activities. This was reflected in a very unstable exchange situation during September and October, finally culminating in the decision at the beginning of November by the Chinese Government to abandon the silver standard and establish a managed currency system.

Exchange Conditions.—The uncertainty surrounding exchange during the period referred to above seriously interfered with the seasonal negotiations which the representative of the Salt Fish Board was carrying on here, as neither the importers nor the dealers were willing to risk the placing of orders for any time ahead. Under these circumstances producers had either to cease fishing operations or face the risk of shipping fish to this market either unsold or at drastically lower prices. By the time that confidence had been created in the stabilized rate of exchange at approximately 29½ cents United States to the Shanghai dollar, the production of herring for export had been stopped in British Columbia.

The result has been a serious reduction in shipments to Shanghai this season, which was the more regrettable in that colder weather than usual has been experienced, with a consequent better demand for herring, the sale of which invariably improves under such conditions. Apart from the fact that the consuming population seems to be more favourably inclined to fish in colder weather, certain other substitute foods, including vegetables, are not so readily available.

While the reduced supply reaching this market speaks for itself so far as the exporters are concerned, the smaller quantity sold here, taken in conjunction with the colder weather, has resulted in the dealers making a better profit than has been the case for some years back.

It is therefore hoped that the experience of the dealers during the season just closing will encourage them to take a more active interest in Canadian herring when the next season approaches. Current business activity in this territory is still far from normal and the general purchasing power is accordingly reduced.

On the other hand, even under existing conditions, unless some new obstacle such as exchange again interferes with negotiations, it is reasonable to look for a substantial increase in Shanghai imports of Canadian dry salt herring over the quantity imported during the 1935 to 1936 period.

Prices.—Prior to July 1, 1934, dry salt herring was valued at 1.80 gold units per quintal, which worked out to the equivalent of approximately Canadian \$10.80 per short ton. The duty was altered on the date mentioned above to 20 per cent ad valorem. Taking into consideration the c.i.f. prices of salted herring in recent years, it is at once apparent that the duty has been materially reduced.

FRESH SALMON

There is a very limited demand for imported fresh frozen salmon in Shanghai among a few hotels, clubs, and high-class retail shops catering to foreigners. There is no outlet among the Chinese. Japan enjoys the bulk of this trade at present. The only other sources of supply are Canada, the United States, and Soviet Russia.

Official Canadian statistics show that the value of exports from the Dominion have ranged anywhere from \$800 to \$1,200 over the past four to five years. American shipments, according to United States official returns, have been by comparison very much less.

During the past year or so it has been extremely difficult to interest buyers in Canadian salmon owing to the very much lower prices offered by Japanese

exporters, since the latter have recently been selling fresh salmon from Saghalien and Hokkaido at approximately 30 cents Shanghai currency (9 cents Canadian) and 25 cents Shanghai currency (7 cents Canadian) c.i.f. Shanghai respectively by comparison with Canadian quotations of 57 cents Shanghai currency (17 cents Canadian) for Red Springs and 47 cents Shanghai currency (14 cents Canadian) for Silvers, both dressed and headless. With such a disparity in prices there is little inducement for buyers to import the Canadian product, taking into account the risk and small turnover.

SMOKED FISH

Under the heading of dried and smoked fish, total imports during the past three years have been as follows:—

1933		1934		1935	
Quintals	Gold Units	Quintals	Gold Units	Quintals	Gold Units
12,708	359,258	7,741	137,552	10,477	171,850

Over 90 per cent of the imports come from Japan and consist of a wide variety of dried and some smoked fish. The only item included in this group of interest to Canada is the very restricted importation of smoked kippers, which are sold, as in the case of fresh salmon, to the high-class shops, clubs and hotels for consumption by foreign residents. The principal supplies are imported from Aberdeen, although occasionally sales of kippers and smoked haddocks have been possible from British Columbia in view of the more rapid delivery. Small amounts are also brought from Norway for the Scandinavian population.

The Russians in Shanghai would be a potential outlet for smoked herring, but this section of the foreign population cannot afford to pay for imported smoked fish. Consequently they bring herring from Japan and smoke it in their own establishments in Shanghai. There is no demand for this class of fish among the Chinese.

DRIED CODFISH

Total imports of dried codfish into China over the past three years have been as follows:—

1933		1934		1935	
Quintals	Gold Units	Quintals	Gold Units	Quintals	Gold Units
13,839	176,467	25,412	340,218	37,794	451,695

This trade is almost entirely in the hands of the Japanese, and, considering the transportation costs involved, it is apparent that competition from Eastern Canada would be out of the question.

CANNED SALMON

The abundant supply of fresh fish available in this market is sold at prices which the imported canned product could not compete against. Moreover, the very small wages of servants nullifies the consumer appeal which canned products have in North America. As a result, the market for canned salmon in this territory is decidedly limited and sales are confined to a small percentage of the well-to-do Chinese and the even smaller number of white foreign residents.

The import statistics include all canned fish under "foodstuffs in cans or bottles," which heading takes in a wide variety of products. It is therefore impossible to indicate the exact volume of the canned salmon trade.

It is known, however, that the bulk of the imports are now being supplied from Japan at much cheaper prices than Canada can offer. Soviet Russia has also been a competitor in certain years, but is not a factor at the present time in this market.

According to official Canadian figures, exports from the Dominion to China have not exceeded \$2,000 in value during the past four years, and the latest

official statistics available from the United States indicate that exports from that country to the whole of China during 1934 were less than \$6,000.

OTHER CANNED FISH

There is a small demand for canned sardines in this market, and it is of interest to note that Canadian brands are successfully competing on a price basis for a share of the business, particularly among the Chinese, who are understood to account for around 70 per cent of the total consumption of Canadian sardines. The more expensive varieties of sardines from Europe are only bought by the foreign population. Norwegian sardines are shipped to Shanghai for the replenishment of Norwegian ships' stores.

Californian pilchards enjoyed a demand some years ago, but it is reported that this business has been declining in favour of Japanese pilchards, which are offered at lower prices.

Nearby Japanese supplies of fresh lobster rule out any demand for the canned product.

FOREIGN TRADE OF CHINA, 1935

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

III

Commodity Analysis of Import Trade

(NOTE.—All values are given in gold units, the average value of which was Can \$0.68 in 1935 as against \$0.66 in 1934. Quantity equivalents: one cubic metre equals roughly 424 feet board measure; one kilogram equals roughly 2.2 pounds; one quintal equals roughly 220 pounds—nine quintals are roughly the equivalent of one short ton; one litre equals roughly 1.76 pint.)

In an earlier section of this report, China's import trade for 1935 was described by principal commodity groups, a few outstanding individual items being singled out for special comment. In another section the quantity and value of all leading imports from Canada were set forth in their order of importance in 1935. This concluding part of the year's review is intended to indicate for the benefit of those interested in a detailed analysis, the value and, where it is available, the quantity of the imports of individual articles and products constituting the main import groups where the latter have a present or potential interest to Canada. Groups such as cotton, piece-goods, wool, and sugar are not discussed here.

NOTES ON COMMODITIES

METALS AND ORES

This group covers a wide range of products such as brass, copper, and tin sheets; iron and steel goods such as angles, girders, bars, and plates; pig iron, pipes and tubes; wire rope; steel rails; zinc, lead, and aluminium. Although the value of imports for this group as a whole declined about 6 per cent, this was due almost entirely to decreases in the imports of tin plates and steel rails. Imports of most other items either increased or decreased to a negligible extent.

The total imports, and imports from Canada, of those items of most interest to Canadian exporters were as follows, the figures in parentheses referring to 1934:—

Aluminium, not including foil, 1,604,000 kg., 1,122,000 g.u. (1,726,000 kg., 1,296,000 g.u.), Canada 386,400 kg., 230,000 g.u. (561,800 kg., 389,900 g.u.); ungalvanized pipes, tubes, and their fittings, 127,700 quintals, 1,220,000 g.u. (109,700 quintals, 1,211,000 g.u.), Canada 475 quintals, 4,500 g.u. (3,300 quintals, 35,200 g.u.); galvanized iron and steel pipes, tubes, and their fittings, 81,800 quintals, 986,300 g.u. (76,200 quintals, 1,140,000 g.u.), Canada 27 quintals.

400 g.u. (6,300 quintals, 83,500 g.u.); lead in pigs or bars, 40,300 quintals, 387,000 g.u. (45,700 quintals, 428,000 g.u.), Canada 26,700 quintals, 253,600 g.u. (33,100 quintals, 291,400 g.u.); zinc, 51,100 quintals, 772,200 g.u. (37,100 quintals, 693,200 g.u.), Canada 14,000 quintals, 171,300 g.u. (8,600 quintals, 119,700 g.u.).

China used to import large quantities of aluminium foil, chiefly for the use of the tobacco industry, of which some was supplied by Canada. Due to domestic production, however, this trade has been replaced to a great extent by imports of raw aluminium. Total imports of foil in 1935 amounted to 139,000 kg. valued at 97,000 g.u., as against 177,000 kg. valued at 128,000 g.u. in 1934. There were no imports from Canada. Imports of steel rails amounted to 751,000 quintals valued at 4,700,000 g.u., as compared with 1,115,000 quintals valued at 7,124,000 g.u. in 1934.

Although Canadian used relaying rails are sold here from time to time, none were imported during the year under review. As is the case with nearly all types of railway material, China's requirements of rails are supplied chiefly by Germany, Great Britain, France, Belgium, and the United States.

MACHINERY AND TOOLS

Canada has never been a factor in the trade of this group, which is dominated by Great Britain, Germany, the United States, Japan, Czechoslovakia, France, Belgium and Switzerland. Total imports were 35,419,000 g.u. as against 30,186,000 g.u. in 1934. Total imports from Canada amounted to 45,000 g.u. as against 79,000 g.u. in 1934.

The value of the imports from all countries of the chief articles under this group was as follows in 1935. The figures are in gold units, those in parentheses referring to 1934:—

Agricultural machinery and parts, 26,800 (7,400); electric dynamos or generators and parts, 430,500 (740,600); electric motors and parts, 1,086,700 (1,080,000); electric transformers and parts, 462,000 (362,700); electrical machinery, n.o.r., 1,195,800 (749,400); pumping machinery, pumps and parts, 812,900 (677,700); sewing, knitting, and embroidering machinery and parts, 482,700 (711,300); textile machinery and parts, 7,712,200 (7,230,700); printing, bookbinding and papermaking machinery and parts, 1,547,800 (702,000), from Canada 35,400 (34,200); office or sales machines and parts, n.o.r., 194,700 (223,200); prime movers and parts, 2,891,200 (4,182,100); typewriters and parts, 207,700 (244,900); machinery for cigar and cigarette manufacturing and parts, 75,700 (73,400); machinery and parts, n.o.r., 15,760,500 (11,065,100), from Canada 1,700 (34,500); files, 236,700 (232,700); hand tools, n.o.r., 859,200 (813,700); machine shop tools (including pneumatic and electrically operated tools), 435,800 (308,000); machine tools, 999,300 (780,500).

Of the small imports of agricultural machinery and parts, the United States supplied 80 per cent. Those with most experience in this field have apparently come to the conclusion that, in spite of the superficial possibilities, China offers no real prospects whatever for the sale of agricultural machinery at the present time. Imports of electrical equipment are increasing. The figures for textile machinery also show an increase. Moreover, they reveal that Japan has now displaced Great Britain as chief supplier. Imports of printing, bookbinding, and papermaking machinery more than doubled in the year under review.

VEHICLES AND VESSELS

Imports of this group as a whole decreased from 18,813,000 g.u. in 1934 to 16,352,000 in 1935, while imports from Canada increased from 15,600 g.u. to 49,100 g.u. The decline in the total was more than accounted for by the decrease in the imports of aircraft and accessories, due to the fact that imports of aeroplanes for Government use were excluded from the 1935 returns. With the exception of aircraft, motor trucks, and motor cars, all other individual items under this group increased in value.

Following are the values in gold units of the principal imports in 1935, the figures in parentheses referring to 1934:—

Aircraft and accessories, excluding those for use of army and navy, 1,028,000 (4,456,000); fire engines and appliances, and parts, 177,200 (169,300); locomotives and tenders, 2,095,000 (498,000); railway and tramway carriages and wagons, 998,000 (957,000); railway and tramway materials, n.o.r., 2,020,000 (1,545,000).

Imports of motor vehicles were as follows:—

Motor tractors, trailers, and trucks (including chassis), 2,981 pieces, 2,812,000 g.u. (3,715 pieces, 3,685,000 g.u.); motor cars and buses including chassis, 2,835 pieces, 2,988,000 g.u. (3,587 pieces, 3,848,000 g.u.); motor car parts and accessories, not including tires and tubes, 984,000 g.u. (951,000 g.u.).

The decrease in the imports of motor trucks and motor cars was probably caused by the severe depression existing throughout 1935, particularly at Shanghai. In view of the improved highway developments which have taken place in China during the past few years, and which are continuing, there seems little doubt that this country will be a market of increasing importance for motor vehicles.

Forty-two motor cars were imported from Canada in 1935 as compared with thirteen in 1934. As there is no tariff preference, these cars were probably shipped from Canadian factories in most cases because it suited the convenience of the American parent company, although from time to time China distributors bring cars from the Dominion for supply to purchasers who desire the American type of automobile and yet wish to have one of British manufacture. There was a notable increase in the imports of bicycles, the figures being 53,700 pieces valued at 493,000 g.u. as against 19,800 pieces valued at 215,000 g.u. in 1934. Seventy per cent of these were supplied by Japan, Great Britain supplying most of the remainder, although a small number were imported from Germany and France.

MISCELLANEOUS METAL MANUFACTURES

The value of imports for this group as a whole fell from 27,405,000 g.u. in 1934 to 18,839,000 g.u. in 1935. This decrease was caused by a fall in the imports of arms and ammunition from 8,029,000 g.u. in 1934 to 422,000 g.u. in 1935, due to the fact that the Government's munitions imports were not allowed to appear in the customs returns for the year under review. Imports from Canada in this group are negligible, their total value being 19,400 g.u. as against 14,900 g.u. in 1934.

The following shows the import values in gold units of the chief items under this group during 1935, the figures in parentheses referring to 1934:—

Aluminiumware, 84,900 (98,400); arms and ammunition (excluding importations for use of army and navy), 422,000 (8,029,100); scientific instruments and apparatus, and parts or accessories, n.o.r., 2,862,200 (2,944,900); scales and balances, 228,300 (250,100); bedsteads and furniture made of metal, 77,500 (82,300); casements, sashes, etc., steel and bronze, complete, 46,100 (56,700); clocks and parts, 452,400 (513,600); coal-, oil-, and spirit-burning appliances and parts, 549,300 (672,900); gas-burning appliances and parts, 22,400 (40,800); cutlery, 256,100 (362,800); electric bulbs, 151,200 (158,400); electric cables, 952,000 (1,204,100); electric accumulators and dry cells, 510,100 (798,500); electric wire, insulated, 1,373,600 (1,167,500); electrical fittings and materials, n.o.r., 1,235,600 (878,000); electric lamps and lampware, 140,900 (341,200); electric fans and accessories, 101,900 (88,100); electric flashlights and torch cases, 46,600 (37,100); electric meters, 867,900 (748,600); electrical appliances, n.o.r., 514,700 (483,400); locks and padlocks, 531,800 (571,200); metalware, n.o.r., 1,270,200 (1,533,900); needles, hand-sewing, 337,900 (510,800); needles, n.o.r., 156,300 (269,600); safes, cash boxes, and strongroom doors, 151,600 (198,700); telephonic and telegraphic instruments and parts (not including radio sets and parts), 1,478,700 (1,091,900); radio sets and parts, 2,196,800 (2,328,600); watches and parts, 547,900 (701,100); wire netting and gauze, 172,200 (260,100); meters, gas and water, and other similar measuring instruments (not including electric meters), 340,300 (486,200); oil tanks and fittings, 20,900 (36,800); metal manufactures, n.o.r., 738,100 (459,900).

It will be noted that most of the items in this group showed a decline in value in 1935 as against 1934. The adverse conditions prevailing during the year under review were no doubt responsible to a great extent for this decrease, but another and more fundamental factor was the increase in domestic manufacture.

FISHERY AND SEA PRODUCTS

The value of imports under this group as a whole actually increased somewhat from 9,269,000 g.u. in 1934 to 9,998,000 g.u. in 1935, although imports from Canada, consisting almost entirely of dry salt herring, decreased in value from 397,000 g.u. in 1934 to 342,000 g.u. in 1935.

The value in gold units of imports of the chief items under this group were as follows in 1935, the figures in parentheses referring to 1934:—

Seaweed, long, 1,303,100 (830,800); seaweed, other kinds, and agar-agar, 230,900 (235,700); awabi, in bulk, 95,500 (31,700); bicho de mar, 1,075,900 (1,299,700); compoy, 195,900 (203,700); cuttlefish, 571,300 (694,600); codfish, dried, including boneless, 451,700 (340,200); fish, dried and smoked, 171,800 (137,600); fresh fish, 883,900 (823,200); salted herrings, 720,200 (757,600); salted fish, n.o.r., 2,518,300 (2,265,200); mussels, oysters, and clams, dried, 203,100 (129,400); prawns and shrimps, dried, in bulk, 712,600 (769,400); sharks' fins, 287,400 (303,600); fishery and sea products, n.o.r., 575,600 (447,100).

ANIMAL PRODUCTS, CANNED GOODS, AND GROCERIES

This group covers a wide range of foodstuffs consumed to a considerable extent only by the foreign population in China, and by those Chinese who have adopted to some degree foreign food habits. Total imports decreased from 6,920,000 g.u. in 1934 to 6,268,000 g.u. in 1935, imports from almost all countries except Japan showing a reduction. Shipments from Canada declined from 79,200 g.u. in 1934 to 72,500 g.u. in 1935.

The total imports of the chief items under this group in 1935 were as follows, the figures in parentheses referring to 1934:—

Birds' nests, 435,000 hectograms, 217,000 g.u. (368,000 hectograms, 191,000 g.u.); butter, 800,000 kg., 541,000 g.u. (746,000 kg., 547,000 g.u.), from Australia 674,000 kg. (650,000 kg.), from New Zealand 38,800 kg. (50,100 kg.), from the United States 18,100 kg. (5,700 kg.); condensed milk, 2,583,000 kg., 925,000 g.u. (2,516,000 kg., 1,033,000 g.u.)—80 per cent of the imports of condensed milk came from the Netherlands, with none from Canada. Cream and milk, evaporated or sterilized, 1,895,000 kg., 403,000 g.u. (1,736,000 kg., 389,000 g.u.). About 60 per cent of the imports under this heading came from the Netherlands, with the United States supplying another 30 per cent—imports from Canada were 74,500 kg. valued at 14,300 g.u. as against 104,100 kg. valued at 21,800 g.u. in 1934. Milk food, 851,226 g.u. (824,900 g.u.); biscuits, 120,000 g.u. (166,000 g.u.); foodstuffs, canned or in any other packing, n.o.r., 1,006,000 g.u. (1,180,000 g.u.), from Canada 8,800 g.u. (8,500 g.u.); chocolate and cocoa (not including confectionery), 147,400 kg., 77,800 g.u. (127,900 kg., 84,300 g.u.); coffee, 166,200 g.u. (171,000 g.u.); confectionery, 272,000 g.u. (288,000 g.u.), from Canada 14,400 g.u. (21,400 g.u.); salt (in bottles or jars for household use), 10,900 g.u. (12,800 g.u.); macaroni, vermicelli, and similar products, in bulk, 105,000 kg., 23,500 g.u. (121,000 kg., 29,000 g.u.), from Canada 27,000 kg., 5,200 g.u. (25,000 kg., 5,100 g.u.).

CEREALS AND FLOUR

This group constitutes such a major part of China's whole trade and is of such particular interest to Canada that details are shown in tabular form below:—

	1934		1935	
	Quintals	G.U.	Quintals	G.U.
	Figures in Thousands			
Bran—				
Total imports	666	2,212	701	1,903
French Indo-China	516	1,718	639	1,728
Siam	149	490	61	173
Rice and paddy—				
Total imports	7,710	33,433	12,964	50,910
French Indo-China	3,423	15,979	7,539	28,859
Siam	3,453	14,207	3,430	12,839
British India (including Burma)	641	2,398	1,934	8,853
Wheat—				
Total imports	4,649	16,221	5,209	19,821
Australia	430	1,633	4,068	15,724
Argentina	971	3,346	1,054	3,753
Canada	85	330	10	48
France . . . . .	....	....	27	92
Hungary	76	288	....	....
United States	3,086	10,616	48	196

	1934		1935	
	Quintals	G.U.	Quintals	G.U.
Wheat flour—	Figures in Thousands			
Total imports	596	3,601	510	3,238
Australia	120	781	183	1,088
Canada	110	707	131	909
Japan	10	51	22	123
United States	355	2,053	173	1,098

Bran.—This bran is not wheat bran, of which China actually exports large quantities to Japan, but is rice bran imported from French Indo-China and Siam almost entirely into South China ports near Canton.

*Rice and Paddy*¹ (Paddy is unhulled rice).—For several years now rice, of which China is the world's largest producer, has been this country's first or second greatest single import. The figures above show that imports totalled 51,000,000 g.u. as compared with 33,000,000 g.u. in 1934 and 77,000,000 g.u. in 1933. As always, French Indo-China, Siam, and British India (including Burma) supplied practically the entire quantity.

*Wheat.*¹—As shown above, Canada practically disappeared from the China wheat trade in 1935. Australia regained the paramount place which she lost temporarily to Argentina during 1934. With the liquidation by the end of 1934 of shipments from the United States under the Sino-American wheat, cotton, and flour agreement, American wheat, like that from Canada, ceased to be a factor in the Chinese wheat market. A small shipment of 2,500 tons was brought from France during the year. This is the first time that French wheat has entered this market. The cargo of Hungarian wheat sold in 1934 was the first of its kind and has not been repeated.

Flour.—Although the total imports of flour decreased by roughly 15 per cent in 1935 as compared with 1934, imports from Canada increased by roughly 20 per cent. This increase was perhaps at the expense of American flour. For several years now exports of Canadian and American flour (apart from the American wheat sold under agreement) have consisted for the most part of patents for the bakery trade and clears used by the manufacturers of gourmet powder. For the latter purpose a high gluten content is desired, which places Canadian supplies in a favourable position. For both patents and clears Shanghai is the principal market, and the cheaper and softer Australian flour finds its chief outlet in North China, principally Tientsin. Tientsin and Hongkong are also important markets for Canadian supplies.

FRUITS, SEEDS, AND VEGETABLES

Imports of this group increased slightly from 3,730,000 g.u. in 1934 to 3,796,000 g.u. in 1935, shipments from Canada dropping from 33,000 g.u. in 1934 to 12,000 g.u. in 1935. The only item in this group of much importance to Canada is apples, imports of which were as follows:—

	1934		1935	
	Quintals	G.U.	Quintals	G.U.
Total	23,300	304,900	19,900	223,400
Australia	680	17,100	711	17,600
Canada	1,370	23,300	213	4,020
Japan	3,140	33,000	4,500	39,800
Korea	10,100	107,000	8,600	69,100
United States	6,120	108,700	5,200	84,900
Kwantung Leased Territory (Dairen)	1,850	15,300	360	3,200

A special report (dated February 17, 1936) under the title "Central China Fresh Apple Market" has been published as Apple Supplement No. 118 to the *Commercial Intelligence Journal*. No great expansion in the market for Canadian apples can be looked for in the near future.

¹ See *Commercial Intelligence Journal* No. 1681 (April 18, 1936).

WINES, BEERS, SPIRITS, TABLE WATERS, ETC.

China's imports under this heading have declined greatly in the last five or six years, chiefly due to heavily increased customs duties and to greater domestic production encouraged by the high tariffs. Increased domestic production has been especially marked in the case of beer and table waters. Whisky and gin are now being imported to a considerable extent in bulk, after which they are "cut" and bottled locally. Total imports were valued at 1,605,000 g.u. as against 1,643,000 g.u. in 1934, total imports from Canada being 34,300 g.u. as against 36,800 g.u. in 1934.

Detailed figures covering the items of chief interest to Canada were as follows in 1935, the figures for 1934 being shown in parentheses:—

Ale and beer, in bottles, 2,445,000 litres, 331,000 g.u. (2,629,000 litres, 345,000 g.u.), from Canada 27,500 litres, 8,400 g.u. (16,300 litres, 5,000 g.u.); whisky, in bottles, 97,100 litres, 190,000 g.u. (78,700 litres, 158,000 g.u.), from Canada 10,400 litres, 18,900 g.u. (11,800 litres, 23,000 g.u.); gin, in bottles, 89,300 litres, 96,700 g.u. (99,200 litres, 107,400 g.u.), from Canada 289 litres, 298 g.u. (2,089 litres, 2,257 g.u.); wines, spirits, and beer, n.o.r., 490,000 g.u. (435,000 g.u.), from Canada 6,700 g.u. (6,500 g.u.).

CHEMICALS AND PHARMACEUTICALS

Canada's share of this trade is relatively small, the field being dominated, as might be expected, by Germany, Japan, Great Britain, and the United States in that order, followed by France and the Netherlands. Canadian exports consist for the most part of fertilizers, chiefly ammonia sulphate.¹ Import figures for the group as a whole declined slightly from 21,171,000 g.u. in 1934 to 20,330,000 g.u. in 1935. Total imports from Canada amounted to 111,000 g.u. as against 106,000 g.u. in 1934.

The following shows the values in gold units of imports of the individual chemical and pharmaceutical products during 1935, the figures in parentheses referring to 1934:—

Acetic acid, 167,300 (189,200); hydrochloric (i.e. muriatic acid), 103,600 (90,200); nitric acid, 172,900 (290,400); sulphuric acid, 37,700 (75,100); acids, n.o.r., 577,900 (801,600); sulphate of ammonia, 4,134,000 (3,148,200), from Canada 95,629 (86,412); bleaching powder, i.e. chloride of lime, 562,800 (475,600); carbide of calcium, 334,100 (415,700); explosives for industrial purposes, 255,800 (266,800); glycerine, 3,900 (59,000); fertilizers, chemical or artificial, n.o.r., 179,900 (186,600), from Canada 3,456 (9,450); phosphorus, 160,500 (202,500); chlorate of potash, 784,600 (1,026,800); saltpetre, 59,700 (130,200); sulphur, 142,600 (325,800); soda ash, 955,700 (1,225,000); caustic soda, 1,188,800 (1,412,200); nitrate of soda (Chile saltpetre), 97,400 (97,700); silicate of soda, 34,100 (43,700); sulphide of soda, 166,600 (310,900); soda, bicarbonate of: soda, crystal, 101,700 (105,000); spirits of wine and rectified spirits or alcohol, 131,800 (398,300); chemicals and chemical compounds, n.o.r., 4,755,300 (4,552,700); medicines, drugs, etc., n.o.r., 5,220,900 (5,341,600), from Canada 9,146 (7,381).

DYES, PIGMENTS, PAINTS, AND VARNISHES

Although the value of imports shown for this group as a whole increased slightly from 19,786,000 g.u. in 1934 to 20,406,000 g.u. in 1935, the majority of the individual items, including paints and varnishes, actually decreased in value. The total increase was chiefly due to larger imports of dyes.

The following shows the value in gold units of the imports in 1935 of the principal items making up this group, the figures in parentheses referring to 1934:—

Aniline dyes, and other coal tar dyes, n.o.r., 5,751,800 (5,401,300); mangrove bark, 238,300 (179,200); bronze powder, 97,100 (148,600); oxide of cobalt, 142,600 (148,400), from Canada 73,400 (3,000); cunao or false gambier, 32,700 (45,300); dyes, n.o.r., 118,700 (135,200); indigo, artificial, 7,537,000 (6,816,000), from Canada nil (25,200); printing inks, 742,500 (739,400); inks, n.o.r., 163,200 (143,900); lead, red, white, and yellow, 190,500 (187,900); varnishes, 145,600 (148,300); paints, n.o.r., 676,200 (766,500); paint materials and polishes, n.o.r.,

¹ A report entitled "Central China Market for Fertilizers" appeared in *Commercial Intelligence Journal* No. 1669 (January 25, 1936).

362,000 (423,100); pigments, n.o.r., 987,900 (984,600); tans and tanning materials, n.o.r., 641,000 (704,800); sulphur black, 2,238,900 (2,418,500); vermilion, including artificial, 157,100 (175,700); white zinc, 182,600 (218,600).

CANDLES, SOAP, OILS, FATS, WAXES, GUMS, AND RESINS

The comprehensive heading given this group in the customs returns is apt to obscure the fact that it consists for the most part of petroleum products. Although these are of little direct interest to Canada, they are among China's principal imports. Imports of the group as a whole amounted in value to 55,064,000 g.u. in 1935 as against 55,590,000 g.u. in 1934, of which in 1935 Netherlands India supplied 23,407,000 g.u. and the United States 21,175,000 g.u. The figures for the principal items in 1935 were as follows, those in parentheses referring to 1934:—

Gasolene, naphtha, and benzine (mineral), 155,188,400 litres, 10,633,100 g.u. (150,130,300 litres, 9,829,400 g.u.); liquid fuel, 397,000 metric tons, 10,361,400 g.u. (408,900 metric tons, 10,825,000 g.u.); kerosene oil, 388,176,900 litres, 20,578,500 g.u. (450,549,200 litres, 20,232,200 g.u.); lubricating oil, 39,309,500 litres, 3,489,400 g.u. (42,302,000 litres, 3,346,800 g.u.); soap (household and laundry), 2,050 quintals, 46,300 g.u. (2,137 quintals, 49,500 g.u.); soap (toilet and fancy), 489,000 g.u. (483,000 g.u.); candles and soap, n.o.r., 45,800 g.u. (31,000 g.u.).

BOOKS, MAPS, PAPER, AND WOOD-PULP

Imports of paper have been a feature of increasing importance in China's trade during the past few years, and especially in her import trade from Canada. The value of the imports of this group as a whole in 1935 was 28,718,000 g.u. as against 25,222,000 g.u. in 1934. Imports from Canada continued to increase, Canadian shipments being valued at 3,320,000 g.u. in 1935 as against 2,269,000 g.u. in 1934, an increase of roughly 50 per cent. China's paper trade was reviewed at length in a recent report entitled "Central China Paper Trade" (*Commercial Intelligence Journal* No. 1673: February 22, 1936).

The following, however, shows the volume of the imports of the chief items in 1935, figures for 1934 being given in parentheses. It will be noted that there were appreciable increases in the imports from Canada of newsprint, kraft paper, and paperware n.o.r.:—

Books and music, printed, engraved, or manuscript (including newspapers and periodicals), 2,927,400 g.u. (3,492,300 g.u.), from Canada 1,632 g.u. (2,244 g.u.); charts, maps, and other products of the graphic arts, 41,900 g.u. (39,100 g.u.); paper boards, 2,000,500 g.u. (1,591,600 g.u.); cigarette paper, 1,431,600 g.u. (1,827,000 g.u.); paper, coated and/or enamelled, 2,140,000 kg., 406,200 g.u. (2,062,600 kg., 431,200 g.u.); common printing and newsprinting paper (made chiefly of mechanical wood-pulp), 1,158,700 quintals, 8,282,900 g.u. (777,400 quintals, 6,211,300 g.u.), from Canada 457,354 quintals, 2,868,665 g.u. (287,900 quintals, 1,976,373 g.u.); drawing, document, banknote, and bond paper, 650,900 g.u. (534,300 g.u.); paper, glazed, flint, friction, or plated, and marbled paper, 1,166,900 kg., 342,200 g.u. (1,491,800 kg., 463,400 g.u.); paper labels, for match manufacturing, 314 quintals, 14,900 g.u. (481 quintals, 19,100 g.u.); paper, M.G. Cap, white or coloured, wholly or chiefly of mechanical wood-pulp, 17,700 quintals, 248,900 g.u. (90,500 quintals, 1,200,200 g.u.); packing and wrapping paper (not including kraft), 69,500 quintals, 767,100 g.u. (69,600 quintals, 837,200 g.u.); kraft paper, 84,500 quintals, 937,300 g.u. (91,500 quintals, 1,119,400 g.u.) from Canada 10,700 quintals, 111,967 g.u. (1,100 quintals, 11,719 g.u.); parchment, glascine, pergamin, and grease-proof paper, 713,300 g.u. (724,100 g.u.); simile paper, 35,500 quintals, 463,400 g.u. (26,600 quintals, 372,700 g.u.); tissue paper, 56,800 quintals, 823,800 g.u. (26,800 quintals, 440,800 g.u.); writing paper (not including bond), 19,200 quintals, 309,700 g.u. (13,900 quintals, 246,200 g.u.); printing paper (free of mechanical wood-pulp), 92,400 quintals, 1,276,600 g.u. (88,500 quintals, 1,319,300 g.u.); printing paper, n.o.r., 58,600 quintals, 753,300 g.u. (44,600 quintals, 526,500 g.u.); wallpaper, and paper, embossed, metallic or otherwise decorated, 138,100 g.u. (126,800 g.u.); paper, n.o.r., 1,381,900 g.u. (977,900 g.u.), from Canada 3,208 g.u. (5,891 g.u.); wood-pulp, 114,200 quintals, 760,400 g.u. (105,300 quintals, 755,300 g.u.), from Canada 30,918 quintals, 201,719 g.u. (35,311 quintals, 250,183 g.u.); paperware and all articles made of paper, n.o.r., 4,045,600 g.u. (1,966,100 g.u.), from Canada 128,929 g.u. (15,684 g.u.).

HIDES, LEATHER, AND OTHER ANIMAL SUBSTANCES

Total imports under this heading fell from 3,104,000 g.u. in 1934 to 2,464,000 g.u. in 1935. Imports from Canada declined at the same time from 21,400 g.u. to 10,300 g.u. Most of the products included in this group are of little or no interest to Canada as they consist in the main of typically Asiatic animal products, but in the case of those which are of some interest, the following figures show total imports in 1935, the figures in parentheses referring to 1934:—

Leather, for machine belting, 42,500 kg., 79,500 g.u. (46,800 kg., 80,600 g.u.); sole leather, 335,000 kg., 155,000 g.u. (273,000 kg., 187,000 g.u.), from Canada 6,500 kg., 3,700 g.u. (8,600 kg., 8,000 g.u.); leather, enamelled, japanned, and patent, 31,000 kg., 128,000 g.u. (33,000 kg., 185,000 g.u.); leather, n.o.r., including coloured, 679,000 g.u. (770,000 g.u.), from Canada 55 g.u. (9,011 g.u.); leather boots and shoes, 82,300 pairs, 142,000 g.u. (78,300 pairs, 151,000 g.u.); manufactures of leather, n.o.r., 102,000 g.u. (120,000 g.u.).

China used to be a market of considerable importance for sole and patent leather and for leather belting. Import business in these lines has declined steadily, however, over the past few years, due partly to the deepening depression and partly to increased domestic production.

TIMBER

Imports of this group, which is of special interest to Canada, increased appreciably in value from 17,383,000 g.u. in 1934 to 19,003,000 g.u. in 1935. At the same time imports from Canada alone increased by 25 per cent, rising from 3,963,000 g.u. in 1934 to 4,990,000 g.u. in 1935. China's timber trade was reviewed in a report from this office dated November 30, 1935, entitled "Central China Timber Market," published in *Commercial Intelligence Journal* No. 1667 (January 11, 1936).

The following table shows the total imports, and imports from Canada and the United States, of the leading timber classifications in 1935 as compared with 1934. The figures for all supplying countries are given in the case of railway sleepers, imports of which increased greatly due to the Chinese Government's active construction program. In comparison with most other countries China is a treeless country. She constitutes therefore a great natural market for timber.

China's Timber Imports, 1934, 1935

	1934		1935	
	Cu. M. ¹	G.U.	Cu. M. ¹	G.U.
Total timber imports—				
All countries . . . . .	....	17,383	....	19,004
Canada . . . . .	....	3,963	....	4,990
United States . . . . .	....	5,988	....	6,638
Hardwood logs—				
All countries	135.4	1,966	151.0	1,975
Canada	7.6	87	11.4	127
United States	14.0	156	12.4	152
Softwood logs—				
All countries	233.0	2,586	357.2	3,657
Canada	20.5	198	44.3	464
United States	43.2	408	139.4	1,378
Sawn softwood—				
All countries	519.0	5,999	475.0	5,557
Canada	241.0	2,711	202.0	2,292
United States	241.0	2,834	253.0	3,025
Manufactured softwood—				
All countries	78.0	1,162	65.0	949
Canada	44.0	649	36.0	514
United States	34.0	508	29.0	433
Railway sleepers—	1,000 Pieces		1,000 Pieces	
All countries	2,451	2,870	3,702	4,631
Canada	159	103	1,402	1,430
United States	1,851	1,863	1,459	1,458
Australia	256	604	628	1,357
British North Borneo	22	15	9	15
Siam	108	213	161	320
Straits Settlements and F.M.S.	7	20	12	34
U.S.S.R.	44	48	....	....

¹ One cubic metre equals 424 feet board measure.

COAL

In spite of the fact that China has important coal resources and actually produces a large tonnage, considerable quantities are imported to fill the demand for hard coal, of which the country does not produce itself a sufficient quantity. Total imports were as follows in 1935, the figures in parentheses referring to 1934: 774,000 metric tons, 447,000 g.u. (138,000 metric tons, 658,000 g.u.). French Indo-China, Japan, Manchuria, British India, and Netherlands India are the chief suppliers. No coal is brought from Canada (except as ships' bunkers), British Columbia supplies not being competitive with Asiatic production.

RUBBER AND RUBBER PRODUCTS

The rubber manufacturing industry has made considerable progress in China during the past few years, centring chiefly at Shanghai. Total imports of india-rubber and gutta-percha (including old or waste as well as crude) were as follows during 1935, the figures in parentheses referring to 1934: 132,000 quintals, 2,147,000 g.u. (121,000 quintals, 2,374,000 g.u.).

Imports of the more important manufactured rubber items were as follows:—

Rubber boots and shoes (including soles and heels), 9,025,000 pairs, 848,000 g.u. (7,318,000 pairs, 965,000 g.u.), from Canada 3,200 pairs, 849 g.u. (11,967 pairs, 3,391 g.u.). Over 80 per cent of the imports of rubber boots and shoes come from Japan. Pneumatic tires for motor vehicles, 54,300 pieces, 996,000 g.u. (73,100 pieces, 1,481,000 g.u.), from Canada 10,200 pieces, 190,800 g.u. (16,200 pieces, 362,600 g.u.); inner tubes for motor vehicles, 52,000 pieces, 122,000 g.u. (61,800 pieces, 154,500 g.u.), from Canada 5,700 pieces, 14,300 g.u. (11,400 pieces, 31,500 g.u.); bicycle and rickshaw tires, 864,000 pieces, 898,000 g.u. (908,000 pieces, 776,000 g.u.); inner tubes for bicycles and rickshaws, 566,000 pieces, 149,000 g.u. (890,000 pieces, 184,000 g.u.); solid rubber tires for motor vehicles, 1,061 pieces, 21,900 g.u. (1,132 pieces, 27,400 g.u.); rubber manufactures, n.o.r., 682,000 g.u. (352,000 g.u.).

Most of China's crude-rubber imports come of course from the Singapore area, but Japan dominates the rubber manufactures trade, even in the case of motor car tires.

MISCELLANEOUS COMMODITIES

This section shows the value of imports of the principal miscellaneous commodities in 1935, the figures in parentheses referring to 1934:—

Living animals, 315,000 g.u. (411,000 g.u.), from Canada 33,200 g.u. (26,400 g.u.). Imports of animals from Canada consist almost entirely of dairy cattle. Asbestos and manufactures thereof, 229,200 g.u. (224,900 g.u.); glue, 1,192,000 kg. 282,000 g.u. (1,285,000 kg. 357,000 g.u.); gramophones, etc., and accessories, 210,000 g.u. (291,000 g.u.); haberdashery, n.o.r., 485 g.u. (633 g.u.); hats and caps, n.o.r., 27,000 g.u. (40,000 g.u.); musical instruments and parts or accessories, n.o.r., 155,000 g.u. (162,000 g.u.), from Canada, 12,200 g.u. (12,900 g.u.). Imports from Canada consist almost entirely of piano actions. Lamps and lampware, n.o.r., 131,900 g.u. (116,100 g.u.); lanterns, 124,900 g.u. (75,600 g.u.); imitation leather and oilcloth (not for flooring) and manufactures thereof, 277,000 g.u. (270,000 g.u.), from Canada 4,700 g.u. (5,900 g.u.); linoleum and similar floor coverings, 61,000 g.u. (98,000 g.u.); face powder and cream, 129,000 g.u. (196,000 g.u.); tooth powder and paste, 158,000 g.u. (206,000 g.u.); perfumery and cosmetics, n.o.r., 343,000 g.u. (454,000 g.u.); printing and lithographic materials, n.o.r., 145,000 g.u. (181,000 g.u.); toys and games, 489,000 g.u. (530,000 g.u.); trunks, suitcases, etc., 68,000 g.u. (77,000 g.u.); sporting requisites, n.o.r., 221,000 g.u. (229,000 g.u.); miscellaneous goods and sundries, n.o.r., 19,000,000 g.u. (8,400,000 g.u.), from Canada 8,900 g.u. (7,300 g.u.).

It will be noted that for the most part imports of these sundry articles in 1935 show a decrease as against 1934. While this was doubtless due in a large measure to the depression which prevailed throughout the year, it is difficult to avoid the conclusion that increased domestic production was also largely responsible.

IMPORTS OF SULPHATE OF AMMONIA INTO JAPAN

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, April 4, 1936.—In a recent issue of the *Diamond* magazine, the sulphate of ammonia situation in Japan was dealt with, and it was pointed out that the immediate outlook as regards the demand for this commodity indicated that unless 180,000 metric tons were imported, a shortage would ensue, despite the fact that the present capacity of Japanese plants has reached approximately 1,800,000 tons annually, with an actual production of 1,296,600 tons being scheduled to take place during the present calendar year. It is estimated that the total domestic consumption of sulphate of ammonia during 1936 calendar year will be 1,619,400 metric tons, and that of this amount 1,296,600 tons will be produced in Japan, Korea and Manchuria and 142,800 tons taken from old stock on hand, thus leaving 180,000 tons to be imported. Some forecasts place foreign imports at 195,000 tons, but this figure will probably not be reached, as the Korean Agricultural Association have recently cancelled part of their import contract with Continental suppliers. The domestic output in 1935 was 1,027,500 tons, and it is expected that in 1937 it will be 1,501,600 metric tons.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Irish Free State Increased Export Bounty on Bacon

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the Irish Free State bounty on bacon, cured hams, and other pigs' meat, exported between April 13 and May 31, 1936, was increased from 15s. per cwt. to 17s. 6d. per cwt. The increase in rate was designed to stimulate export, owing to the increased domestic production.

South African Dumping Duty on Certain Metal Manufactures

The Union of South Africa Government *Gazette* of March 27, 1936, contains a proclamation, effective on that date, imposing "ordinary" dumping duty on the following iron and steel manufactures, imported from Canada and the United States, namely:—

All wrought iron and wrought steel tubes or pipes, straight or bent, uncoated, coated, or otherwise protected, in sizes up to and including $6\frac{1}{2}$ inches outside diameter, except boiler tubes, boiler stay tubes, super heater tubes, and tubes or pipes of galvanized or stainless steel qualities; all wrought iron, malleable iron, and wrought steel tubular bends of any angle, of all qualities and sizes up to and including $6\frac{1}{2}$ inches outside diameter, whether galvanized or otherwise; all wrought iron, malleable iron and wrought steel flanges, whether screwed or unscrewed, and whether drilled or undrilled, galvanized or otherwise, suitable for wrought iron and steel tubes or pipes in sizes up to and including $6\frac{1}{2}$ inches outside diameter; and all wrought iron and steel tubular poles other than galvanized where the greatest diameter of the tubular section does not exceed $7\frac{1}{2}$ inches outside diameter.

"Ordinary" dumping duty is the difference between the export price and domestic value plus the extra cost of packing and packages for export, carriage to the port of shipment, and all other expenses incidental to placing the goods on board ship ready for export to the Union, and is to be levied when this difference exceeds 5 per cent, but in no case is the dumping duty to exceed 50 per cent of the value of the goods for duty purposes.

Northern Rhodesia Increases Empire Content Requirement

A Northern Rhodesia Government Notice, gazetted March 27, 1936, and effective on and after that date, increases the minimum percentage of content required for preferential tariff treatment of certain goods from 25 per cent to 50 per cent, which means that at least one-half of the factory or works cost of the goods in their finished state must be represented by material grown or pro-

duced and/or labour performed in the British Empire. The goods affected are the same as those for which the United Kingdom specifies an Empire content requirement of 50 per cent. Northern Rhodesia also specifies a 75 per cent Empire content requirement for optical glass, elements and instruments. The percentage of Empire content required for goods not falling under the 50 per cent or 75 per cent list remains unchanged, namely, 25 per cent.

The form of invoice and certificate of value and/or origin prescribed by the Customs authorities of Northern Rhodesia is the same as that required for shipments to the Union of South Africa and Southern Rhodesia. Further details regarding the invoicing of shipments to Northern Rhodesia may be had on application to the Department of Trade and Commerce.

Bahamas Customs Surtax on Liquors

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, writes that a resolution was introduced in the Bahamas House of Assembly on March 25, 1936, imposing a surtax of 5s. per case of one dozen reputed quarts on brandy, gin, rum, and whisky. This surtax is in addition to the customs duties already applicable.

United States-Colombia Trade Agreement

Mr. W. J. Riddiford, Canadian Trade Commissioner in Panama, advises that the Trade Agreement between the United States and the Republic of Colombia signed on September 13, 1935, will, as a consequence of an exchange of ratifications between the two governments on April 20, be brought into force on May 20, 1936. According to an official press release from the Colombian Ministry of Foreign Affairs issued on April 21, the tariff reductions accorded by Colombia to the United States under the agreement will be extended to countries having most-favoured-nation agreements with Colombia. Canada and other parts of the British Empire are included among such countries.

Reduced Colombian duties are provided for under the foregoing agreement. The percentage of reduction from the existing rates include: breakfast cereals, 25; potatoes, 16 $\frac{2}{3}$; canned vegetables, 70; fresh fruits, 50; preserved fruits, 50; meats, other than bacon and hams, 33 $\frac{1}{3}$; preserved fish, 33 $\frac{1}{3}$; condensed and evaporated milk, 33 $\frac{1}{3}$; lard, 50; tanned cattle hides, 20; calfskin, 40; men's rubber-soled footwear, 50; women's rubber-soled footwear, 37 $\frac{1}{2}$; iron or steel furniture, 33 $\frac{1}{3}$; passenger automobiles with factory price up to \$1,000, 25; other passenger automobiles, 20; trucks, 50; porcelain insulators with metal parts, 40; gramophones, 66 $\frac{2}{3}$; typewriters, 66 $\frac{2}{3}$; calculating machines, 60; varnishes, 20; tobacco, 50; manufactures of asbestos, 33 $\frac{1}{3}$.

Colombia also undertakes not to increase the existing rates on rolled oats, chewing gum, leather and rubber transmission belts, toilet paper, rubber hose, tires, iron or steel wire, tools, stoves, copper wire and cable, sewing machines, mowers, seeders, electric motors and dynamos, storage batteries, telephone and radio apparatus, porcelain insulators without metal parts.

Concessions accorded by the United States to Colombia include reductions in duty on tolu balsam, prepared ipecac and castor beans, and continued free entry for coffee, bananas, emeralds, platinum, crude ipecac, gutta balata, reptile skins, tagua nuts, and tamarinds.

Argentine Marking Regulations

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, March 25, 1936.—Under a decree signed November 26, 1935, and as interpreted by an explanatory note of February 7, 1936, labels, containers, and wrappers used in the presentation of merchandise to the consuming public must be submitted for approval to the authorities. Penalties provided

become effective after November 26, 1936. The pertinent articles of the decree are:—

ART. 13.—All information displayed and all oral or written propaganda made by manufacturers or distributors of domestic or foreign goods or products, for the purpose of informing, guiding, instructing, or advising the consumer in connection with such goods or products, shall be worded or expressed in a clear and precise manner and so as not to deceive or exaggerate as to the quality or origin of the products or goods or as to the raw materials employed. The use of references, words, features, emblems, or attributes capable of leading consumers into error as to the quality or origin of the products shall not be permitted.

ART. 15.—Weights and measures shall be shown in decimal metric system on both domestic and foreign goods. However, for foreign goods the weights and measures may also be shown in the system in use in the country of origin. Only the net weight or volume of the contents may be shown, and the maximum permissible variation between the net weight or volume displayed on the container and the actual net weight or volume of the goods in the container supplied to the public shall be 3 per cent for small containers not exceeding 5 litres or kilograms, 2 per cent for containers in excess of 5 litres or kilograms but not exceeding 20 litres or kilograms, and 1 per cent for containers upwards of 20 litres or kilograms. A difference up to 10 per cent between the capacity of the container and the volume of the content is permissible in the case of an air-tight, opaque package containing food products. In respect of containers made of glass, a difference up to 5 per cent shall be permissible between the capacity and the actual contents. The above-mentioned tolerances may be varied if so required by the nature of the products, in which event, upon expert advice, the minister shall by resolution fix the maximum tolerance.

ART. 25.—For the purpose of ensuring better and stricter compliance with the provisions of Law No. 11275 and of these regulations, all manufacturers or distributors of domestic or foreign goods shall be bound to submit all labels, containers, wrappers, and literature pertaining to the goods manufactured or distributed by them, in duplicate, to the Commerce and Industry Division for approval, and they shall state in their application that no other labels, containers, wrappers, or literature will be used by them in getting up their goods for sale. In respect of goods subject to inspection by certain technical bureaus of the Department of Agriculture, applicants shall submit their labels, containers, wrappers, and literature in triplicate. All distributors or manufacturers of domestic or foreign goods who have not already complied with the requirements of this present article shall submit their labels, containers, wrappers, and literature to the Commerce and Industry Division for approval within one year from the date of this present decree.

The Dirección de Comercio e Industria under date of February 7, published March 16, gave the following ruling:—

That the application under Article 25 of the decree of November 26, 1935, refers only to the labels, containers, wrappers, and prospectuses of goods and products, both of national and foreign manufacture, that are distributed in a wrapped-up or packet form to the consumer.

New Customs Tariff of Peru

R. W. MCBURNEY, ASSISTANT TRADE COMMISSIONER

(One sol at par equals 28 cents; at present exchange, 24·94 cents Canadian;
one kilo equals 2·204 pounds)

Lima, March 30, 1936.—A new customs tariff has been introduced in Peru, effective as from February 1, 1936. Comparison of the new Peruvian tariff with that formerly in force indicates that the major change has been to make all duties specific, except in the case of a few items such as jewellery, precious stones, watches, and arms and munitions for the use of the army.

The new duties absorb surtaxes which under the former tariff totalled 20 per cent of the duty. However, certain surcharges and other taxes are still levied. These consist of: (1) a surcharge of 1 per cent of the duty; (2) 3 per cent ad valorem levied on 120 per cent of invoice value; (3) a charge of \$/4 per ton for harbour improvements; (4) an additional duty of 10 per cent ad valorem on perfumes and alcoholic beverages and of 6 per cent ad valorem on pharmaceutical products, based in each case on 120 per cent of invoice value; (5) an additional duty of 5 per cent ad valorem on goods imported by parcel post.

Newsprint, which, as formerly, enters duty free, is to be classified as such only when it consists basically of mechanical wood-pulp having a weight of less than 65 grams per square metre and yielding up to 6 per cent ash.

The following paragraphs indicate customs duties (in sols) now levied on some commodities of interest to Canadian exporters. Former rates and, where these have been changed, former classifications are shown in parentheses:—

Aluminium and Magnesium.—In wire and bars, S/0·25 per gross kilo; aluminium in sheets, S/0·20 per gross kilo (S/0·20).

Aluminium Kitchenware.—Tableware, etc., S/1·45 per gross kilo (S/1·20).

Piping or Tubing.—Forged iron for water or drainage, including unions, S/0·015 per gross kilo; other, including unions, S/0·025; lead, traps, and other analogous parts, S/0·15. (Piping and tubing of forged iron for water or drainage, S/0·015 per gross kilo; connections, unions, T's, traps, etc., up to 2 inches in diameter, S/0·015; over 2 inches in diameter, S/0·02; piping or tubing of forged iron or steel, not threaded, etc., including unions for water or drainage, S/0·03; the same, threaded, S/0·04 per gross kilo.)

Portland Cement.—S/0·005 per gross kilo (S/0·004).

Common Lumber.—Oregon pine, white pine, yellow pine, Colorado pine, pitch pine, spruce, laurel, poplar, etc., sawn in boards, joists, beams, 1 inch thick, S/0·05 per square metre; planed, dovetailed, or wrought in any form, S/0·18 per square metre. (Common lumber such as Oregon pine, spruce, laurel, poplar, and similar, sawn in planks, beams, etc., S/0·04 per square metre; the same planed, dovetailed, etc., in any form, S/0·15 per square metre.)

Box Shooks.—S/0·02 per gross kilo (unchanged).

Inner Tubes for Bicycles, Automobiles, and Trucks.—S/1·50 per legal kilo (S/1·25).

Tires for Bicycles, Automobiles, and Trucks.—S/0·60 per gross kilo (S/0·50 per legal kilo).

Cardboard.—Prepared with asbestos or other materials, for building, including those of vegetable fibre called "Celotex," S/0·04 per gross kilo. (Cardboard prepared with asbestos or other materials, for building, S/0·03.)

Machinery.—Agricultural, dairying, mining, such being understood to be that used actually in fields, dairies, and mines, and for metallurgical treatment of ores, and for putting ores in condition for export, S/0·01 per gross kilo. (Machinery for agriculture, dairying, and mining, free); for other industries in general and other uses n.o.p., including that for crafts and business, S/0·04 per gross kilo (no change).

Storage Batteries.—Weighing up to 30 kilos, replacement plates, pile batteries, S/0·25 per gross kilo; the same weighing over 30 kilos, S/0·06 per gross kilo. (Storage batteries, weighing up to 30 kilos, and pile batteries, S/0·20 per gross kilo; storage batteries weighing over 30 kilos, S/0·05.)

Whisky in Bottles.—S/4·20 per litre (S/3·50 per litre).

Canned Fish.—Prepared in any form n.o.p., S/0·30 per gross kilo (S/0·25).

Canned Vegetables and Fruits.—Prepared in any form, S/0·20 per gross kilo (S/0·15).

Prepared Meats (Bacon, Hams, Sausages).—S/0·40 per gross kilo (S/0·25).

Wheat Flour.—S/0·05 per gross kilo (S/0·04).

Whole Milk.—Evaporated or condensed, with or without sweetening, and in powder for infant feeding, and which constitutes a specialty, S/0·01 per gross kilo; in powder, for industrial use, S/0·05 per gross kilo. (Whole milk, concentrated or not, condensed and in powder, free.)

Salmon.—S/0·15 per gross kilo (S/0·12).

Wheat.—S/0·15 per gross kilo (S/0·125).

Automobiles.—Starting with a rate of S/0·12 per gross kilo for cars weighing up to 2,000 gross kilos, duty is increased by S/0·01 for every additional 50 kilos gross up to 3,000 kilos weight. Cars over that weight will be dutiable in the same proportion at the rate of S/0·01 for each fraction of 50 kilos gross (from 10 per cent to 50 per cent, increasing according to value of the vehicle); trucks, chassis, and trailers, S/0·02 per gross kilo (unchanged).

Information respecting changes in the duties on any products not included above may be obtained on application to the Department of Trade and Commerce, Ottawa.

New Siamese Customs Tariff

Mr. B. C. Butler, Acting Trade Commissioner in Singapore, writes under date April 6, 1936, that the Government of Siam approved a new customs tariff enactment, effective March 22, containing 167 main items, of which only 20 are wholly or partly on an ad valorem basis. The old tariff had 73 main items, of which 58 were dutiable at ad valorem rates, while the new tariff, which is larger, applies specific rates to about 60 per cent of Siam's imports.

Increases in duty affect mainly cigarettes, cigars, and tobacco; sugar; fuel oil and spirits; and radio sets. There are reductions in the duties on perfumes,

ginseng, and medicines, the latter being admitted free. The general ad valorem rate on unspecified goods has been reduced from 25 to 20 per cent.

Particulars of the tariff changes are on file with the Department of Trade and Commerce, Ottawa, where interested exporters may obtain advice upon application.

Hongkong Revises Tariff on Liquors and Tobaccos

Mr. K. F. Noble, Acting Trade Commissioner in Hongkong, writes under date April 21, 1936, that *Gazette Extraordinary* of the Hongkong Government under date April 1, 1936, announces that on account of the recent managed stability of the local dollar excise duties on wines, spirits, and tobaccos shall in the future be collected on a specific rather than a variable base. Previously duties were at rates applicable when the Hongkong dollar was at a conventional parity of 1s. 8d. but subject to a sliding correction factor.

The new excise revenue on liqueurs and sparkling wines is HK\$13 per gallon; brandies, gins, whiskies, and other spirituous liquors, HK\$10 per gallon; but with Empire preferential rate on brandies of HK\$5 per gallon; ports, sherries, and madeiras, HK\$6 per gallon; other still wines, HK\$5 per gallon. Beer (not exceeding 1055 degrees specific gravity the worts before fermentation), HK\$0.80 per gallon; with an addition of 2 cents per gallon for every degree of original gravity above 1055 degrees.

The previous policy of preference for Empire tobaccos has been continued with the granting of a preferential rate on manufactured tobaccos, contingent on at least 25 per cent of the value being attributable to "labour within the Empire." The duties are: unmanufactured tobacco when unstripped: (a) above 10 per cent moisture, HK\$1.10 per pound (preference rate HK\$0.90 per pound); (b) less than 10 per cent moisture, HK\$1.20 per pound (HK\$1 per pound British preferential). Unmanufactured tobaccos when stripped: (a) above 10 per cent moisture content, HK\$1.25 per pound (British preferential rate HK\$1.05 per pound); (b) less than 10 per cent moisture, HK\$1.35 per pound (HK\$1.15 per pound British preferential).

Under the heading of "manufactured tobaccos" the items of interest are: (a) cigarettes and (b) tobacco products other than cigars, for each of which the base rate is HK\$1.80 per pound, reduced by HK\$0.20 per pound if of Empire manufacture, and by a further HK\$0.20 if of both Empire origin and manufacture.

The base rate for cigars is HK\$2.60 per pound with concessions of HK\$0.30 per pound or HK\$0.60 per pound for alternatively Empire manufacture or Empire origin and manufacture.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders, which close on July 3, should be addressed to the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications. Particulars are as follows:—

500 buzzers, trembler, to specification; 500 receivers, bell, to specification; 432 switches, tumbler, 5 amperes, "Slowbreak," one-way, minus wooden mounting block; 144 switches, tumbler, 5 amperes, "Slowbreak," two-way, minus wooden mounting block; 10,000 tags, to specification; 1,000 sleeves, fibre, black, for plug, to specification; 5,000 jacks, 5 point, to specification; 24 coils, bridging, to specification.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 27

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending April 27, 1936, with the official bank rate. Quotations for the week ending April 20, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 20	Nominal Quotations in Montreal Week ending April 27	Official Bank Rate
Austria	Schilling	.1407	\$.1882	\$.1877	3½
Belgium	Belga	.1001	.1700	.1697	2
Bulgaria	Lev	.0072	.0128	.0131	6
Czechoslovakia	Krone	.0296	.0417	.0414	3
Denmark	Krone	.2680	.2217	.2212	3½
Finland	Markka	.0252	.0219	.0219	4
France	Franc	.0392	.0663	.0661	5
Germany	Reichsmark	.2382	.4044	.4035	4
Great Britain	Pound	4.8666	4.9675	4.9525	2
Greece	Drachma	.0130	.0096	.0094	7
Holland	Guilder	.4020	.6820	.6805	2½
Hungary	Pengo	.1749	.2963	.2960	4
Italy	Lira	.0526	.0793	.0790	5
Jugo-Slavia	Dinar	.0176	.0230	.0230	5
Norway	Krone	.2680	.2495	.2490	3½
Portugal	Escudo	.0442	.0451	.0451	5
Roumania	Leu	.0060	.0075	.0075	4½
Spain	Peseta	.1930	.1373	.1369	5
Sweden	Krona	.2680	.2561	.2554	2½
Switzerland	Franc	.1930	.3276	.3269	2½
United States	Dollar	1.0000	1.0053	1.0034	1½
Poland	Zloty	.1122	.1896	.1886	5
Argentina	Peso (Paper)	.4245	.3311	.3302	—
Brazil	Milreis (Paper)	.1196	.0860	.0858	—
Chile	Peso	.1217	.0513	.0512	4½
Colombia	Peso	.9733	.5680	.5718	4
Mexico	Peso	.4985	.2792	.2787	4-5
Peru	Sol	.2800	.2501	.2496	6
Venezuela	Bolivar	.1930	.2564	.2559	—
Uruguay	Peso	1.0342	.8015	.8003	—
China (Shanghai)	Dollar	.....	.2991	.2979	—
Cuba	Peso	1.0000	1.0043	1.0024	—
Hongkong	Dollar	.....	.3267	.3258	—
India	Rupee	.3650	.3750	.3740	3
Japan	Yen	.4985	.2902	.2896	3.29
Java	Guilder	.4020	.6851	.6838	4
Siam	Baht (Tical)	.4424	.4551	.4544	—
Straits Settlements	Dollar	.5678	.5822	.5804	—
South Africa	Pound	4.8666	4.9612	4.9483	—
British Guiana	Dollar	1.0138	1.0350	1.0322	—
Jamaica	Pound	4.8666	4.9775	4.9625	—
Other British West Indies	Dollar	1.0138	1.0350	1.0322	—
Martinique	Franc	.0392	.0663	.0661	—
Guadeloupe	Franc	.0392	.0663	.0661	—
Australia	Pound	4.8666	3.9740	3.9637	—
Egypt	Pound (100 Piastres)	4.9431	5.0962	5.0875	—
New Zealand	Pound	4.8666	4.0060	3.9950	—
Argentina	Free	Free	.2760	.2749	—
Brazil	Free	Free	.0573	.0562	—
Chile	Free	Free	.0412	.0411	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The position of the French franc remained unstable, although no serious decline followed the breakdown of negotiations for a short-term loan in Amsterdam. Earlier news intimations indicated that this loan had been arranged. The Canadian dollar gained strength again during the week ended April 25, and declines occurred in Montreal rates for the pound sterling, the United States dollar, and the French franc. Although rumour continued to be rife concerning a monetary agreement arising out of currency discussions between the United States and China, no official statement to this effect was issued.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Dried Fish.....	267	Ciudad Trujillo, Dominican Republic.	Agency.
Canned Salmon.....	268	Ciudad Trujillo, Dominican Republic.	Agency.
Canned Sardines.....	269	San Juan, Puerto Rico.....	Purchase.
Canned Foodstuffs.....	270	Bombay, India.....	Purchase and Agency.
Miscellaneous—			
Tallow for Soap Manufacturing.	271	Ciudad Trujillo, Dominican Republic.	Agency.
Cosmetics and Toilet Goods.....	272	Amritsar, Punjab, British India.	Purchase and Agency.
Medicines and Pharmaceuticals..	273	Bombay, India.....	Purchase and Agency.
Stationery Items.....	274	La Paz, Bolivia.....	Purchase.
Paper, Printing and Writing....	275	La Paz, Bolivia.....	Purchase.
Wallpaper.....	276	La Paz, Bolivia.....	Purchase.
White Feathers (for the Manufacture of Badminton Shuttle-cocks).	277	Bandoeng, Java.....	Purchase and Agency.
Clothes Pegs.....	278	Haarlem, Holland.....	Purchase.
Hardware and Household Articles	279	Amsterdam, Holland.....	Agency.
Technical Rubber Articles.....	280	Amsterdam, Holland.....	Purchase.
Dextrene and Sizing Cream for Adhesives.	281	Cape Town, South Africa..	Purchase.
Insulating Materials.....	282	Amsterdam, Holland.....	Purchase.
Electric Wringers, i.e. Motor, Gears and Wringer only.	283	Melbourne, Australia.....	Agency.
Bare Stranded Copper Wire, Tinned and Enamelled.	284	Wellington, New Zealand..	Agency.
Dehydrated and Deoxidized Seamless Soft Copper Tubing for Electric Refrigeration.	285	Johannesburg, South Africa	Purchase.
Portable Saw Mill Machinery....	286	Knysna, Cape Province, South Africa.	Purchase Outright.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of York, May 8; Duchess of Richmond, May 15; Duchess of Bedford, May 22—all Canadian Pacific; Andania, May 8; Antonia, May 22—both Cunard-White Star Line.

To London.—Beaverford, May 8; Beavertale, May 15; Beaverburn, May 22—all Canadian Pacific; Ausonia, May 8; Alaunia, May 15; Ascania, May 22—all Cunard-White Star Line.

To Manchester.—Manchester Citizen, May 7; Manchester Port, May 14; Manchester Producer, May 21—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, May 5; Dakotian, May 25—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montrose, May 15; Montclare, May 23—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Boston City, Bristol City Line, May 16.

To Glasgow.—Sulairia, May 8; Letitia, May 15; Airthria, May 22—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk (calls at Dundee), Cairn-Thomson Line, May 14.

To Dublin and Belfast.—Dunaff Head (cargo accepted for Londonderry and Cork), Head Line, May 5

To Aberdeen and Hull.—Kyno, Ellerman's Wilson Line, May 23.

To Antwerp.—Alaska, May 5; Brant County (calls at Dunkirk), May 23—both County Line; Beaverford, May 8; Beavertale, May 15—both Canadian Pacific.

To Rotterdam and Havre.—Alaska (does not call at Rotterdam), May 5; Kings County (does not call at Havre), May 8; Grey County, May 15—all County Line.

To Hamburg.—Hagen (calls at Bremen), Hamburg-American Line, May 15; Beaverburn, Canadian Pacific, May 22.

To Copenhagen, Gothenburg and Baltic Ports.—Stureholm, May 5; Korsholm, May 25—both Swedish-America-Mexico Line.

To Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa and Leghorn.—Nordhavet, Gardiaz Line, May 15.

To Marseilles and Genoa.—Sonja, Canada-Mediterraneo Line, May 16.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Lena, May 5; Capo Olmo, June 2—both Capo Line.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS Co., May 8.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., May 4 and 18.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, May 14.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, Canadian National, May 13.

To Kingston (Jamaica).—Cathcart, May 8; Cavalier, May 22—both Canadian National.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—Canadian Conqueror, Canadian National, May 30.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—Canadian Planter, Canadian National, May 22.

To Yokohama, Kobe and Osaka.—Kano Maru, Kokusai Line, May 17.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Beechpark (does not call at Sierra Leone and Lourenco Marques), May 10; Titan, May 27—both Elder Dempster Lines Ltd.

To Santos and Buenos Aires.—A steamer, International Freighting Corp., May 9.

From Quebec

To Southampton.—A steamer, Canadian Pacific, May.

From Halifax

To Liverpool.—Incemore, May 13; Newfoundland, May 26; Nova Scotia, June 13—all Furness Line.

To Aberdeen, Newcastle and Hull.—Trentino, Ellerman's Wilson Line, May 11.

To Copenhagen, Gothenburg and Baltic Ports.—Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, May 19; Gripsholm (does not call at Copenhagen), Swedish-American Line, May 31.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Townsend, May 4; Fort Amherst, May 11—both Furness-Red Cross Line; Magnhild, G. T. Shaw, May 4 and 18; Incemore (does not call at St. Pierre), Furness Line, May 13.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, May 7; Lady Nelson, May 21—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Risanger, Ocean Dominion Line, May 6.

To Santiago (Cuba) and Kingston (Jamaica).—Ciss, May 6; Kirsten B., May 20—both Pickford & Black Ltd.

To Puerto Rico, Barbados, Trinidad and Demerara.—Cornwallis, May 4; Colborne, May 18—both Canadian National (call at Guadeloupe and Martinique if sufficient cargo offered).

To Kingston, Jamaica.—Cathcart, May 11; Cavalier, May 25—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silveryew, May 9; Javanese Prince, May 23; Silvercypress, June 6; Siamese Prince, June 20—all Silver-Prince Line.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, May.

From Saint John

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Canadian National, May 13.

To Kingston and Jamaican Outports.—Harboe Jensen, May 8; Crawford Ellis, May 15—both United Fruit Line.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras and Calcutta.—A steamer, American and Indian Line, May.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, May 23; Hikawa Maru, June 13; Hiye Maru, June 27—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls Nagasaki), May 16; Empress of Japan (calls Honolulu), May 30; Empress of Asia (calls Nagasaki), June 10; Empress of Canada (calls Honolulu), June 27—all Canadian Pacific; Talthybius, May 31; Tyndareus, June 28—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Tosari, Silver-Java Line, May 30.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, May 20; Niagara, June 17—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, May 15; Golden Coast, June 15—both Oceanic and Oriental Navigation Co.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, May 20; Waitapu, June 6—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Innaren, Empire Shipping Co., May 15.

To Sydney, Melbourne and Adelaide.—Hopetor, May; Loch Lomond, May; King Malcolm, May—all Australian-British Columbia Shipping Co.

To London and Liverpool.—A steamer (calls at Cardiff), Reardon Smith Line, May.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, East Asiatic Co., May 28.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Washington, Empire Shipping Co., May 11.

To Scandinavian Ports.—Balboa, May 4; Margaret Johnson, May 29—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Rialto, Empire Shipping Co., May 18.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., May.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Siantar, May 7; Silverpalm, June 5—both Silver-Java Pacific Line.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Brandanger, May 6; Evanger, May 30; Hoyanger, June 22—all Empire Shipping Co.

From New Westminster

To London and Liverpool.—Pacific Enterprise (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., May 7; Cape York (calls at Newcastle but not at Liverpool), American Mail Lines Ltd., May 8; Bradburn (calls at Cardiff), Reardon Smith Line Ltd., May 11; Abraham Lincoln (calls at Hull and Oslo), Anglo-Canadian Shipping Co., May 11; Modavia (calls at Glasgow), Balfour Guthrie & Co., May 11; Knoxville City (calls at Avonmouth), B. W. Greer & Son Ltd., May 15; Lochkatrine (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., May 15.

To United Kingdom Ports.—Ashleigh, May 10; Everleigh, May 20—both Anglo-Canadian Shipping Co.; Borjestad, Canadian Transport Co., May 20.

To Yokohama, Kobe and Osaka.—Heian Maru, B. W. Greer & Son Ltd., May 11; Talthybius (calls at Shanghai, Hongkong and Miike but not at Osaka), Dodwell & Co. Ltd., May 18.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Estonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—*see under British Malaya.*)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

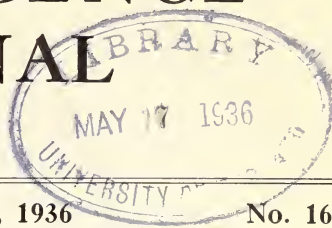
Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, May 9, 1936

No. 1684



Canadian Wood-pulp, unloaded at Shanghai, China,
being carried to Godown

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

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MR. PALMER'S TOUR IN CANADA

Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City, whose territory comprises Mexico, Guatemala, Honduras, and Salvador, will arrive shortly in Canada for the purpose of conducting a tour of the principal centres in the interest of Canadian trade with these countries. He will visit Ottawa from May 18 to 23 and Montreal from May 28 to June 5.

Firms who wish to be brought in touch with Mr. Palmer should communicate, for Ottawa with the Department of Trade and Commerce, and for Montreal with the Montreal Board of Trade.

MR. BOWER'S FORTHCOMING VISIT TO CANADA

Mr. R. P. Bower, Acting Canadian Trade Commissioner at Batavia, Java, is expected to arrive in Vancouver about the middle of June for the purpose of making a tour through the Dominion in the interests of Canadian trade with Netherlands India. The Batavia office covers the whole of Netherlands India with the exception of Northern Sumatra, which is assigned to the office in Singapore. Canadian firms interested in the Netherlands Indian market, who desire to get in touch with Mr. Bower, are requested to communicate with the Department of Trade and Commerce, Ottawa.

ECONOMIC CONDITIONS IN CENTRAL CHINA DURING 1935

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

I

(NOTE.—Except where otherwise indicated, all dollar references are to the Chinese or Yuan dollar, the approximate average value of which was Canadian \$0.36 in 1934 and Canadian \$0.35 in 1935. Since November 4, 1935, its average value has remained stable at approximately Canadian \$0.30.)

Shanghai, March 27, 1936.—Business conditions in Central China were probably worse during 1935 than they have been for a decade; it is possible that, taken as a whole, they have not been less favourable in any other year of the country's modern period. This was especially true of Shanghai, the commercial and financial centre. The most immediate cause of this decline in a year which proved one of further recovery for most countries was undoubtedly the continued rise in the world-price of silver, which did not come to a stop until May.

This upward trend increased the outward flow of silver in spite of Government restrictions and, by appreciating the Chinese dollar, accelerated the deflationary process, which had already brought about a serious fall in the prices of agricultural and other commodities, bonds and other securities, and land. Silver

and land form the chief bases of the credit structure in Shanghai, and as the one grew scarce through export or hoarding, and the other depreciated, credit became frozen, resulting in widespread bankruptcies and commercial and industrial stagnation.

It is true that in May silver ceased to appreciate and the exchange value of the Chinese dollar began to drop. But by that time conditions had become so bad, and uncertainty as to what action the Government would take had become so general, that no recovery was possible until the Government did decide finally, on November 3, to abandon the silver standard, and to institute the other measures described below. Since that date conditions have improved somewhat, and it is possible to hope that 1935, and more specifically the middle of the year, saw the low point of the depression in China.

HOPEFUL FACTORS IN THE SITUATION

There also exist other and more fundamental grounds to justify such hope. Apart from some anti-communist operations in the Far West, 1935 was a year of internal peace. In fact, the long period of domestic political strife, dating roughly from the Revolution of 1911 which overthrew the old Imperial Dynasty, seems to be drawing to a close. Of itself this would do much to arrest that deterioration which in recent years, largely as a result of civil wars, has affected the agricultural interior, the foundation of China's economic structure. In addition, the Government continued during the year under review its efforts to promote recovery by extending communications, especially roads and railways, undertaking flood prevention work, and by rehabilitating basic agricultural industries such as sericulture and cotton-growing.

Furthermore, better conditions in the rest of the world began to react favourably during 1935 on Chinese exports, and if this continues it will assist greatly in bringing about general improvement in China.

On the whole, therefore, from a review of the past year's trade and economic conditions it is possible by contrast to regard the future with moderate optimism qualified by the external political difficulties which began in Manchuria in September, 1931, and remain an ever-present source of business uncertainty.

CHINA'S BALANCE OF INTERNATIONAL PAYMENTS

A detailed review of China's foreign trade in 1935 has already appeared elsewhere in the *Commercial Intelligence Journal* (see Nos. 1681 to 1683: April 18 and 25 and May 1), but it will be useful to note again here the overseas *merchandise* trade totals in connection with the country's balance of payments for the year. The figures are as follows:—

	1931	1932	1933	1934	1935
	Figures in Millions of Yuan Dollars				
Imports	2,002	1,524	1,345	1,030	919
Exports	915	569	612	535	576
Total	2,917	2,093	1,957	1,565	1,495
Excess of imports	1,087	955	733	495	343

It will be noted that exports actually increased in 1935 by \$40 million or 7½ per cent, and that as a result the so-called adverse trade balance amounting to \$343 million was appreciably lower than it was in 1934 and showed a great improvement over the three preceding years. The 1935 "adverse" figures can be further reduced by *net* exports of treasure amounting to \$38·7 million in the case of gold and \$67·5 million in the case of silver.

The most important *invisible* items in China's balance of payments consist, on the credit side, of remittances from Chinese living abroad and the expenditure of foreign diplomatic, military, naval, missionary and philanthropic establishments in this country. Exact figures covering these items have never

been procurable, and at the time of writing even estimates are lacking for 1935. It is known that such remittances and expenditures declined appreciably after 1929, but it is possible, although not probable, that they recovered in 1935: possible because of improved conditions in the United States, Malaya, Australia, and Canada; improbable because financial conditions in China throughout the year were hardly conducive to the inward movement of funds.

The foregoing remarks take no account of the large quantities of merchandise known to have been smuggled inwards, nor of the considerable quantities of silver known to have been smuggled outwards. Taking everything into consideration, however, it would seem that the position of China's balance of payments in 1935 showed an improvement. This is a hopeful sign because the success of the exchange stabilization and other financial measures introduced by the Government, which are mentioned below, naturally depends to a considerable extent upon equilibrium being maintained.

FINANCE

The outstanding features of the year were financial, of which the most important were those of a governmental nature. The lengthening series of monetary measures introduced by the Ministry of Finance, and the co-operative institutions created by the "foreign-style" Chinese commercial banks during the past few years, and particularly during 1935, indicate the profound modernizing movement which is taking place in China's financial system, similar to the changes under way in other spheres such as transportation, communication, and industry.

Three steps of major importance were taken by the Government during the year. In March the capital of the Bank of China (previously the leading Chinese commercial bank with branches throughout the country) was increased from \$25 million to \$50 million, and that of the Bank of Communications (another important bank) from \$8 million to \$20 million, the Government acquiring control of both for the purpose of establishing close co-operation between them and the state Central Bank of China and providing a wider and stronger basis for the banking system generally.

Following this, financial assistance was extended to a number of smaller Chinese banks, business houses, and industrial concerns, which enabled them to tide over the crisis which developed in May. The most momentous measure was the decree of November 3, whereby the Government abandoned the silver standard and announced its decision to nationalize silver, unify the country's paper currency, stabilize exchange, reorganize the Central Bank as a Central Reserve Bank, set up a special institution to deal with mortgages, and to balance the national budget within eighteen months. These unprecedented steps were strongly criticized in some quarters, but on the whole they were well received and resulted in a better business feeling which is slowly widening. In particular, they eased the credit stringency by bringing to a halt the disastrous deflationary process and the outward drain of silver.

EXCHANGE

On November 4 the exchange value of the Chinese dollar was 1s. 2½d. in sterling and \$0.29½ in United States dollars. These rates have been held (with decimal fluctuations to either side) up to the time of writing, and the consensus of informed opinion seems to be that the Government can and will continue to maintain one or the other (most probably the sterling rate), barring major catastrophes such as war with a foreign power, or a drastic fall in the world value of silver taking its price below 17 pence. However, it is generally felt that such a decline is hardly likely to occur. Granting that this stabilization

proves effective, "exchange" will no longer dominate China's domestic and foreign trade activities as it has done for so long.

It may be of interest therefore to record its course over the past ten years in the three currencies in which the bulk of the country's foreign trade is carried on. The following table shows the *average* monthly rates of exchange in 1935 as compared with the yearly averages of 1926 to 1935:—

Average Rates of Exchange, 1926-35¹

Yearly average—	£	U.S.\$	Yen
1926	2/1.578	50.390	104.610
1927	1/10.030	44.677	93.952
1928	1/10.695	46.137	98.938
1929	1/8.524	41.508	89.544
1930	1/2.789	29.850	59.680
1931	1/0.004	22.243	45.215
1932	1/2.766	21.487	76.081
1933	1/2.824	26.109	100.909
1934	1/4.100	33.785	113.408
1935 monthly average—			
January	1/4.938	34.508	121.140
February	1/5.778	36.122	126.810
March	1/7.085	38.000	135.200
April	1/7.109	38.505	135.510
May	1/8.125	40.971	132.230
June	1/7.620	40.351	138.790
July	1/6.770	38.755	132.590
August	1/5.630	36.490	124.030
September	1/5.943	36.870	126.830
October	1/5.346	35.481	123.410
November	1/2.415	29.573	102.760
December (the stabilized rate)	1/2.375	29.500	102.510
All 1935 average	1/5.7611	36.260	125.155

¹ From a table giving the official T.T. selling rates at Shanghai as compiled by Mr. E. Kann and published in *Finance and Commerce*, Shanghai, China, January 22, 1936.

PUBLIC FINANCE

The estimated budget of the National (Nanking) Government for the current fiscal year is shown in tabular form below as against the three preceding years. This can be taken as revealing the financial position only in the most approximate way. The Minister of Finance has announced that the deficit for the current year will be made up by domestic borrowing, as was done in preceding years. Military expenditure accounts for nearly 50 per cent of the total expenditure in each year, while the service of loans and indemnities accounts for about one-third of the total.

It is thus obvious that not a great deal is left for domestic civil requirements—a fact which explains the difficulty experienced in financing constructive enterprises such as railways. An unfortunate corollary to this is that private industrial undertakings cannot afford to compete for what domestic capital is available with the high interest rates which the Government, admittedly of necessity, pays.

Budget of the National Government, Fiscal Year ending June

	1933	1934	1935	1936 ¹
	Figures in Millions of Yuan Dollars			
Expenditure	644	769	853	893
Revenue	559	621	727	723
Deficit	85	148	126	170

¹ Estimated.

CUSTOMS REVENUE

The chief source of the Government's revenue is the Chinese Maritime Customs. The latter's total collection for 1935 was \$315 million, representing

a decline of \$19 million or 5·7 per cent as against 1934. In view of the smaller import trade, it is surprising that the decrease was not greater. The total collection was made up as follows in millions of Yuan dollars: import duty, 250; export duty, 20·7; interport duty and interport surtax, 13·2; tonnage dues, 4·3; flood relief surtax, 13·5; revenue surtax, 13·5. Of the total, Shanghai contributed 47 per cent, followed by Tientsin with 13 per cent, and Tsingtao and Hankow with about 7 per cent each.

FOREIGN FINANCIAL OBLIGATIONS AND GENERAL CREDIT STANDING

The service of all foreign loans and of the Boxer indemnity obligations, secured on the customs revenue, including the American Wheat and Flour Loan of 1931 and the American Cotton and Wheat Loan of 1933, were met in full during the year in spite of the fact that again no contributions were available from Manchurian ports. On the other hand, many other obligations, especially railway loans, remained seriously in default and continued therefore to impair China's credit standing and to discourage the influx of the foreign capital which is so badly needed for the economic development of the country. The financial reforms touched on above will, it is hoped, provide means of mobilizing domestic capital, but the latter would appear to be relatively scanty.

A subject much discussed during the year was the possibility of a large loan to China from Great Britain alone or in concert with the governments or private financial interests of other Powers. At time of writing there seems little possibility of such a loan materializing in the immediate future.

TARIFFS AND COMMERCIAL AGREEMENTS

On May 4, 1935, an agreement, supplementary to a previous commercial agreement of May 16, 1930, was signed between France and China and made effective on July 22, 1935. These agreements provide for reduced duties on anthracite coal coming from France and on anthracite coal and rice coming from French Indo-China, that existing import duties on certain specified products of the French colony shall be maintained, and that no import restrictions on rice into the Southern Chinese provinces of Yunnan, Kwangsi, and Kwangtung shall be imposed.

On her part, France grants minimum duties on certain silk fabrics, tea and spices from China, and on certain specified products from the three southern provinces mentioned on importation into French Indo-China. Certain preferential treatment in the French Indo-China transit trade is also granted to China.

Following the decision of the League of Nations to apply sanctions against Italy, the Chinese Government on December 1, 1935, placed an embargo on the export of war materials from China to Italy and on the import of Italian goods into China. It is apparent at time of writing that this embargo is being felt to an increasing extent by the Italian commercial community in Shanghai.

COMMERCIAL BANKING AND FINANCE

As might be expected, commercial banking experienced a difficult year and, taking everything into consideration, it is surprising that the number of bank failures was not greater. Complete data is not obtainable, but at least twelve important banks, having either their head office or branches in Central China, were forced to close. This does not take into account the many smaller native-style banks in Shanghai and other interior cities, especially Hankow, which suspended business. In addition, it is reported that over seventy Shanghai companies doing business of a financial nature went into liquidation. Two foreign banks failed, of which one, the Thriftcor Bank, was Russian.

The most sensational failure, however, was that of the so-called Raven group. This was an American organization consisting of the American Oriental Finance Corporation, the Raven Trust Co., and the Asia Realty Co. (see *Commercial Intelligence Journal* No. 1639: June 29, 1935). None of the leading Chinese foreign-style banks failed, and in fact information available to date indicates that most of them closed the year with a profit. The stability of the old-established British and other foreign banks remained unquestioned. The Hongkong and Shanghai Banking Corporation paid a total dividend for the year of £5 10s., which at current quotations works out at a little less than 5½ per cent.

All banks restricted credit accommodation severely throughout the year, and during the first half it was almost impossible to obtain loans regardless of the security offered. A policy of calling in outstanding loans was resorted to, which forced many firms, some of them old-established, into liquidation.

A trend which has been noticeable for several years now continued in 1935, i.e. the growth in importance of the Chinese foreign-style banks and the extension of their activities, accompanied by a decline in the importance of the old-style "native" banks. This is another example of the westernizing movement in the financial sphere mentioned earlier in this report.

GENERAL BUSINESS CONDITIONS

From what has been said up to this point it will be evident that the year was one of exceptional difficulty for all types of business. Apart from financial institutions, it is reported that between 700 and 800 other business concerns in Shanghai alone were forced to close.

The restrictive policy of the banks made commercial activity of every type difficult in the extreme. Buying generally was on a hand-to-mouth basis and payments slow. Numerous importers reported to this office that they were forced to grant credits ranging from thirty to sixty and in some cases even up to ninety days to wholesale and retail buyers. Even with this accommodation, payment was frequently made with cheques post-dated a further thirty days. In some trades the Chinese guilds, or associations of dealers, agreed to cease placing orders abroad for certain periods in order to allow accumulated stocks to liquidate. An instance of special interest to Canada was the agreement of this kind made by the Shanghai lumber dealers. By the close of the year, however, conditions had improved somewhat.

INSURANCE

A feature of the year having particular interest for Canada was the increased attention paid to life insurance. Four Canadian companies dominate this field in China, and it is understood that all of these experienced a satisfactory year, two of them reporting 1935 to have been their best year since being established in this country. A number of Chinese companies are operating, of which several have been established for some time. There is undoubtedly a great future for life insurance among the Chinese population, but foreign companies so far have had naturally to approach this class of business with caution. The four Canadian firms are all well established and understood to be in an excellent position to take advantage of future developments.

CONSTRUCTION

No figures are available covering building construction in Central China nor even for Shanghai as a whole, but in so far as this city is concerned, it is known to have fallen off drastically due to the depression generally and to the collapse in the Shanghai real estate market in particular. For the International

Settlement alone building permits were valued at \$10,935,000 in 1935 as against \$27,600,000 in 1934.

The decrease probably would have been greater were it not for the fact that some large projects planned earlier by strong financial interests proceeded. Construction was started on the new Bank of China building, which will be, when completed, one of the largest and most modern buildings in Shanghai. One large new departmental store and an addition to another were nearly completed, as was the new building for an important Japanese bank.

Work was also commenced on the first unit of the new Chiukong wharf, a joint project of the Ministry of Finance and the Municipality of Great Shanghai (Chinese Administration). When finally completed, it is expected that this will provide modern dock frontage of 2,500 feet and will have cost \$7,000,000. The first section will consist of two 590-foot wharves. A number of other new factories (see "Industries" below) and apartment houses were completed, but plans for many were dropped and work on others already commenced had to be stopped because of financial difficulties. Very considerable quantities of Canadian piling, heavy timber, and lumber are used in construction work of the type described here.

POPULATION AND UNEMPLOYMENT

Very little data relating to labour and unemployment is available, although a beginning to the study of this immense problem has been made by various Chinese government authorities, by the establishment of a China office of the International Labour Bureau, and to a local extent through the creation of an Industrial Department by the Shanghai Municipal Council (administrative body of the foreign-controlled International Settlement). This subject is therefore touched upon here only because of the importance attached to it in appraising economic conditions in other countries.

The difficulty of the problem can be stated quite simply by pointing out that even the bare population total of this country is unknown, estimates for China proper, excluding Manchuria, ranging in round figures from 350 to 450 million, and for Central China, roughly the area drained by the Yangtsze River system, from 200 to 300 million. However, the total population of Greater Shanghai, including the International Settlement, the French Concession, and the Chinese Municipality, is known, as a result of actual censuses, to be now about 3,500,000, of which from 70,000 to 80,000 are foreigners. The latter are probably divided approximately as follows: Japanese, 32,000; Russian, 15,000; British, 9,000; American, 4,000; French, 2,000; Portuguese, 1,500; German, 1,000; other European, 2,000 to 3,000; remainder widely various.

A report issued by the International Labour Bureau is said to have estimated the number of unemployed in sixteen provinces at 5,890,000, but Chinese comment on this figure shows a tendency to place the figure at a much higher level, perhaps over 10,000,000. It is possible that these figures relate only to industry, including, of course, rural handicraft industries.

The number of people unemployed, including the agricultural class, in the sense that they have temporarily or permanently no work by which they can earn independently their own sustenance, because of depression, floods, or droughts, might run into the tens, conceivably into the scores, of millions. This, however, is pure speculation. Undoubtedly it is the Chinese family system, with all its evils in certain respects, that keeps the social and economic fabric of the country from crumbling altogether in the face of such conditions.

CONDITIONS IN SHANGHAI

The report of the Industrial Section of the Shanghai Municipal Council, which is concerned principally with improving the safety and general conditions

among factory employees in Shanghai, indicates that many industrial workers in Shanghai were thrown out of employment during 1935 because of closures or reduction in working hours (for example, abolition of the night shift in many cotton mills) among local factories. This report also stated that fifty-three strikes involving 21,000 workers and a loss of 378,072 man-days occurred in 1935, as compared with a loss of 27,075 man-days in 1934. The increase suggests the worsened conditions in 1935. Wage reductions and dismissals were the cause of most of the strikes. On the other hand, in Hankow, which has been noted for labour agitation in recent years, labour conditions are reported to have improved in 1935.

The report of the International Labour Bureau mentioned earlier put the number of unemployed in Shanghai itself at 610,000 or one-sixth of the total population. The liquidation of many foreign firms and enforced staff reductions caused widespread distress among the foreign population of Shanghai.

WAGES

Slight detailed data covering the question of wages in China is available, but a valuable study entitled "Wage Rates in Shanghai" was recently published by the Bureau of Social Affairs of the Municipality of Greater Shanghai. This study covered only Shanghai and the period 1930 to 1934. It reports the average hourly wage for all workers in all the industries studied as follows: 1930, \$0.059; 1931, \$0.057; 1932, \$0.057; 1933, \$0.058; and 1934, \$0.056. The 1935 average would almost certainly show a considerable decline.

The average hours worked per day varied from 7.08 in the match-making industry to 11.50 in the cotton-spinning and flour-milling industries. The average hourly rate in 1934 by certain leading industries was as follows: shipbuilding (the highest), \$0.137; silk-weaving, \$0.087; hosiery-knitting, \$0.072; tobacco, \$0.071; match-making, \$0.056; paper-making, \$0.052; flour-milling, \$0.048; cotton-spinning, \$0.041; and silk-reeling, \$0.029.

The rough average of the number of hours worked per week was in all industries ten. On this basis and taking the Yuan dollar as equal to Canadian \$0.30, the *daily wage* in terms of Canadian money would be as follows for leading industries: shipbuilding, 41 cents; hosiery-knitting, 22 cents; tobacco, 21 cents; match-making, 17 cents; paper-making, 16 cents; flour-milling, 14 cents; cotton-spinning, 12 cents; silk-reeling, 9 cents.

In many fields of employment, however, wages in Canadian money would work out to much less than the above rates, ranging, in fact, as low as one cent Canadian per day, plus rice money. Much work is carried on, of course, by the apprentice system in native handicraft industries where no remuneration, apart from food and shelter, is involved.

These facts require little comment. In order to appreciate their full significance, however, it must be remembered that they relate to Shanghai and probably represent therefore the highest wage rates in the country.

AGRICULTURE

No statistics or reviews comparable with those compiled for Canada and some other countries are available with respect to China's agriculture, upon which from 70 to 80 per cent of her people are directly dependent. From data available at time of writing, however, it would appear that, broadly speaking, conditions in the agricultural interior of Central China at least ceased to deteriorate, as they have been doing now for a number of years, and on the whole it is possible that they improved slightly.

Much of the credit for whatever improvement occurred must go to the efforts which the Government continued to direct during the year towards rural

rehabilitation through such organizations at the National Economic Council, with the aid of experts in various fields supplied by the League of Nations. These efforts cannot be described here, but they are attracting much admiration and sympathy. Better demand from abroad for a number of China's principal agricultural products such as raw cotton, silk, sheep's wool, wood oil, peanut oil, peanuts, and sesamum seed were important favourable factors also.

Strenuous efforts are being pursued in the direction of making the country eventually independent of foreign supplies of cotton, rice, tobacco, and wheat. Complete success would appear unlikely in the case of all four of these commodities, but there seems little doubt that production of the first three could be greatly increased and with advantage. It is said, for example, that China will become completely independent of American and Indian cotton within five years.

In the case of wheat the question is more doubtful. In this country land is relatively expensive and labour relatively cheap, and it would seem therefore more economic to devote the land to such crops as rice, cotton, and tobacco, which require much labour, and have a higher cash value than wheat, leaving wheat to be imported even in considerable quantities from countries such as Australia, Argentina, and Canada, where land is relatively cheap and labour relatively expensive.

FLOODS

Offsetting the encouraging conditions noted briefly above is the fact that China again during the year under review suffered from disastrous floods. In Central China these affected chiefly the important Yangtsze River provinces, Hupeh, Hunan, Kiangsi, Anhwei, and Kiangsu. It is said that at Hankow the level of the Yangtsze River reached or exceeded the point which it touched during the terrible floods of 1931, and the city was saved only by the dyke repair and conservancy work carried out by the Government since that year. Exact figures covering the area affected are not available, but it appears that at least 10,000 square miles were inundated, hundreds of thousands, if not millions, of people made homeless, and property damage done, including crop loss and other destruction, amounting to \$500 million or more.

These recurrent natural disasters, which cause unimaginable suffering and constitute a tremendous drain on the country's economic resources, provide a grave warning to Canada and other countries not to allow forest depletion and intensive farming to be carried to a point where the water-conservation ability of the land is endangered. Part of China's flood problem arises from the fact that population pressure is so great that the farming millions have encroached on valley areas that belong properly to the rivers.

MINING

With the exception of coal, iron, tin, antimony, and wolfram ore (tungsten), which are produced on a considerable scale, mining is relatively undeveloped in China proper. Comparable statistics are difficult to obtain, but coal production for the whole of China proper is reported to have totalled 12,000,000 tons in 1935, of which 10,500,000 tons was bituminous and 1,500,000 anthracite. Coal prices showed a downward tendency up until December. At Shanghai one grade dropped in price from \$13.20 to \$12.50 per ton, another from \$11.50 to \$11, and a cheaper quality from \$9.60 to \$8.80. There was some recovery, however, after November.

Production figures for the other mineral products mentioned above are not available, but as most of the output is shipped abroad the export figures for 1935 provide an index. The following figures indicate the exports in 1935, those for 1934 being shown in parentheses: tungsten, 73,800 quintals¹ (47,100); anti-

¹ One quintal equals 220 lbs. or nine quintals equal one short ton.

mony, 188,000 quintals (162,000); iron ore, 13,160,000 quintals (8,576,000); tin, 91,800 quintals (64,400). It will be noted that in all cases a gain was made in the year under review.

FORESTRY

As a primary industry forestry is of relatively little importance in China proper, because, as suggested earlier, the country's wooded areas were exhausted centuries ago. There are still some wooded areas in parts of the coastal provinces of Chekiang and Fukien, and in the interior provinces Kiangsi, Hunan, and Kweichow, but even these appear to be scattered, accessible with difficulty, and to contain trees of small dimensions.

These remarks do not apply to bamboo, which is produced all over Central China, as it is in the south, but which on account of its rapid growth and unsuitability for heavy construction partakes almost of the nature of an agricultural crop rather than of timber in the Canadian sense of the word. Railway sleepers were cut to some extent during 1935 from certain of the interior areas mentioned, but, so far as can be gathered, the use of these native sleepers is negligible in comparison with imported sleepers.

The desirability of reforestation has been widely discussed in recent years and in fact considerable tree planting has been carried out around certain cities such as Nanking, the capital. Realistic observation of these projects suggests the conclusion, however, that such undertakings will have great value from an ornamental standpoint, but will do little if anything towards providing a commercial wood supply or preventing, within the measurable future, soil erosion. It is likely therefore that China will continue in perpetuity to be a market, limited only by her purchasing power, for imported lumber and other forest products. (See "Central China Timber Market": *Commercial Intelligence Journal* No. 1667, January 11, 1936.)

FISHERIES

China has an enormous fresh-water and salt-water fishing industry, but practically no statistical, and little other, data is available respecting it. It is known to have suffered in recent years from the depression and from Japanese competition. The National Government and certain of the provincial governments are endeavouring to lend it some assistance, but little of a tangible nature has been accomplished to date, although a new fish market costing around \$1,000,000, and intended to aid the local fishing interest, was practically completed at Shanghai during the year under review. (A report on the "Central China Fish Trade" was published in the last issue of the *Commercial Intelligence Journal*.)

CONDITIONS IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER

London, April 15, 1936.—During the first quarter of the year the upward trend of business activity has been maintained, although there has been some inevitable uncertainty due to the European situation, which must continue to exercise an inhibitive effect upon new developments. In introducing the Budget, which will be dealt with fully in a later report, the Chancellor of the Exchequer referred to the general recovery of trade, reflected in greater revenues from taxation, which were indicative of increase in the general wealth of the public. Other evidences of improved conditions to which he referred were the rise in capital values, the growth of public confidence, and the existence of cheap money.

The manufacturing and other trades affected by seasonal influences contributed markedly to the continuance of the improved conditions, and there

was continued or increased activity in building, the metal and engineering trades, and in the textile industry, including woollen goods. A noteworthy feature has been the extent of the orders placed with the shipbuilding and allied industries, and with producers of railway material.

The *Economist* index of general business activity, which declined from 119 (1924=100) in December to 115½ in January, rose to 116½ in March, and it is of special note that the indices of industrial production issued by the League of Nations Monthly Bulletin of Statistics give an index number of 105·7 (1929=100) for industrial production in the United Kingdom in 1935 as compared with 98·8 in 1934 and 88·2 in 1933.

Apart from increased employment, one of the most outstanding indications of the maintenance of improved conditions is shown in the overseas trade returns for March, which reveal increases in the first three months of the year as compared with the corresponding period of last year, reflected particularly in a further rise in imports. The situation revealed by the trade returns is touched upon more comprehensively later in the present report.

RETAIL TRADE

Statistics of retail sales compiled by the Bank of England and published in the *Board of Trade Journal* show that since the second quarter of the trade year, ending January, 1933, retail trade has improved continuously, the value of total sales during 1934-35 being 3·3 per cent higher than in the previous twelve months, while in 1935-36 there was a further rise of 6·5 per cent. The latter rise took place in both food and non-food merchandise, and was shared by all the five areas into which the country is divided for the purpose of these statistics.

IRON AND STEEL

As one of the most dependable indications of general conditions, the iron and steel industry shows a continuously expanded demand. Plants have been operating at capacity and many orders continue to await execution. There has been a great demand for steel for building purposes, as well as for the construction of new ships and for the work in progress on the railways. According to returns of the British Iron and Steel Federation, at the end of March there were 109 furnaces in blast in the United Kingdom, the same number as at the beginning of the month, the production of pig iron in the month amounting to 633,600 tons as compared with 584,700 tons in February and 554,200 tons in March. Steel ingots and castings reached the highest monthly production on record in March, at 980,100 tons, compared with 938,500 tons in February, 1936, and 841,900 tons in March, 1935.

SHIPPING

There has been a marked revival in ship construction, and according to the quarterly returns of Lloyd's Register on March 31, 220 merchant vessels of 842,261 tons gross were under construction in Great Britain and Ireland. This tonnage was greater by 990,270 tons than the amount being built at the end of December, and 286,546 tons more than the shipping under construction a year ago. It was the highest quarterly total recorded since December, 1930, and exceeded the aggregate tonnage being built in the six leading foreign countries.

AGRICULTURE

The Ministry of Agriculture reports that conditions in England and Wales on April 1 gave evidence that good progress had been made during the last three weeks of March, with spring cultivation on light and well-drained soils, but that there was a large amount of ploughing to be done on heavy soils, and all work was less forward than usual. Spring sowing is proceeding in all districts,

and owing to the sowing of winter wheat being curtailed by unfavourable weather in the autumn, it is anticipated that more spring wheat than usual will be sown this year.

Land is being prepared for potatoes, and the planting of early varieties is progressing. Preparation of the land for sugar beet is in arrears. As far as stock is concerned, at the end of the month the Ministry of Agriculture reports the scarcity of fodder due to the exhaustion of home supplies, with the result that some cattle have been turned out to grass earlier than usual. During March milk yields were difficult to maintain, and all stock is showing signs of the trying winter.

EMPLOYMENT

In March a new high record of employment was reached, the Ministry of Labour estimating that the number of insured people in employment rose to 10,630,000, an increase over February of 155,000 and of 411,000 compared with March of last year. Since March, 1933, the increase in the number of insured persons in employment has been 1,216,000. The number of registered unemployed in March declined to 1,881,531, a reduction on the month of 143,490 and on the year of 272,339.

The improved conditions in employment affected all the administrative divisions except South Wales, where there was a reduction of employment in the mines, due for the most part to conditions arising out of the position created by the miners' dispute in January and February, which affected the export business in coal. The manufacturing industries and building industry in particular, and those industries which generally experience a seasonal revival in the Spring, all record increased employment.

As an indication of the generally improved conditions, as compared with previous periods, the Ministry of Labour *Gazette* states that from April to the end of 1935 the number of insured people between 16 and 64 in employment in Great Britain was higher than at any date during the fifteen years for which comparable statistics are available.

PRICES

The Board of Trade index indicates that wholesale prices have been maintained, the index number in February being 91·7 as compared with a monthly average of 88·0 in 1935. The *Economist* index of commodity prices in February shows an increase of 4·4 per cent as compared with February, 1935. On April 1 the average level of retail prices of the commodities taken into account in the statistics compiled by the Ministry of Labour (including food, rent, clothing, fuel and light, and miscellaneous items) was approximately 44 per cent above the level of July, 1914, as compared with 46 per cent on February 29, 1936, and 39 per cent on April 1, 1935. For food alone the corresponding percentages at these three dates were 26, 29, and 19 respectively.

FINANCE

Government revenue and expenditure returns for the twelve months ended December 31 indicates that a surplus of £2,940,702 was realized, notwithstanding the large increases in Government expenditure and a provision for debt redemption. This result was due largely to the maintenance of the receipts from revenue, which exceeded the Budget estimates. The provision of large sums for defence rather clouds the prospects for the coming year and indicates the Budget difficulties with which the Chancellor of the Exchequer will be faced.

In the money market loanable funds have continued to be plentiful, and the conditions in the market generally appear to be unaffected by the uncertainty in international affairs. Business in the London bullion market in March decreased as compared with February, and conditions in the discount market were steady. In March operations on the Stock Exchange were definitely

affected by the international situation. The volume of business was small, and prices lower. Although they fell in the first half of the month, gilt-edged securities recovered toward the close. The number of new capital issues has been large. It is natural that the international situation should result in sharp fluctuations in prices in the foreign bond markets.

The Chancellor of the Exchequer has appointed an expert advisory committee upon the regulation of foreign capital issues. No relaxation of the present restrictions is proposed, but the object of appointing a committee is to set up proper machinery for the regulation of foreign public issues. The embargo, which does not apply to Empire but only to foreign borrowers, has been in force more than four years. During that period, the *Times* points out, over £133,000,000 of overseas issues, representing entirely new money, have been made, but of the total only £14,300,000 was for foreign countries.

OVERSEAS TRADE

While the figures of the external trade of the United Kingdom during the first quarter are still rising, almost the whole of the expansion is due to the growth in imports. This creates a different situation from that prevailing at the corresponding date in 1935, when the stagnation of import trade, particularly in raw materials, occasioned a certain amount of adverse comment. A comparison of the situation during the January to March period in 1935 and 1936 is set forth in the subjoined table:—

	Jan-Mar., 1935	Jan-Mar., 1936	Increase	Per Cent Increase
Imports	£178,418,972	£200,321,099	£21,902,127	12.2
Exports (British)	105,498,315	106,080,978	582,663	0.5
Re-exports	13,911,968	15,861,668	1,949,700	14.0
	£297,829,255	£322,263,745	£24,434,490	8.2

The extent of the reversal in the trend of Britain's overseas commerce may be measured by the fact that whereas at the end of March last year imports declined by 3 per cent, this branch of business advanced during the period under review by no less than 12.2 per cent. At the same time, British exports have remained practically stationary when compared with a year ago; whereas in the first quarter of 1935 they showed an advance of 11.3 per cent compared with 1934. Re-export trade is well maintained, in spite of the fact that the effect of the Anglo-Spanish Payment Agreement is believed to have curtailed the entrepôt trade between the United Kingdom and Spain.

The preponderance of the increase in imports has caused an advance in the visible adverse balance of trade. Up to the end of March this year the excess of imports over exports was £78,378,000, as against £59,009,000 in the same period in 1935 and £74,107,000 in 1934. As long as the United Kingdom can, as is now the case, earn a growing return from overseas investments, shipping and other services which compose her "invisible" exports, there is no need for alarm at the surplus of imports. In fact, to a certain degree, it signifies a better standard of living and greater confidence and activity in home industries. The following is a summarized statement of the main divisions of imports, exports, and re-exports, as compared with a year ago:—

TABLE OF IMPORTS, EXPORTS, AND RE-EXPORTS ACCORDING TO THE BOARD OF
TRADE CLASSIFICATION, DURING THE THREE MONTHS ENDED MARCH 31,
1935 AND 1936

(a) Imports

	Jan-Mar., 1935	Jan-Mar., 1936
Food, drink and tobacco	£ 82,358,536	£ 88,790,246
Raw materials and articles mainly unmanufactured ..	52,368,044	60,792,097
Articles wholly or mainly manufactured	42,812,329	49,522,814
Animals, not for food	309,700	372,148
Parcel post	570,363	843,794
Total	£178,418,972	£200,321,099

TABLE OF IMPORTS, EXPORTS, AND RE-EXPORTS ACCORDING TO THE BOARD OF
TRADE CLASSIFICATION, DURING THE THREE MONTHS ENDED MARCH 31,
1935 AND 1936—*Concluded*

(b) Exports of Produce and Manufactures of the United Kingdom

	Jan.-Mar., 1935	Jan.-Mar., 1936
Food, drink and tobacco	£ 6,919,505	£ 8,206,605
Raw materials and articles mainly unmanufactured ..	13,507,202	12,283,906
Articles wholly or mainly manufactured	82,277,505	82,830,715
Animals, not for food	128,423	171,658
Parcel post	2,665,680	2,588,094
Total	£105,498,315	£106,080,978

(c) Exports of Foreign and Colonial Merchandise

	Jan.-Mar., 1935	Jan.-Mar., 1936
Food, drink and tobacco	£ 3,177,867	£ 3,039,092
Raw materials and articles mainly unmanufactured ..	8,032,110	8,995,301
Articles wholly or mainly manufactured	2,638,574	3,810,972
Animals, not for food	63,417	16,303
Total	£ 13,911,968	£ 15,861,668

Of the increase of £6,431,710 in food, drink and tobacco, £2,402,627 was represented by grain and flour, and a further £2,286,302 by dairy produce and beverages. In raw materials more than half of the advance of £8,424,053 was attributable to raw wool and raw cotton; while the chief contributors to the expansion of £6,710,485 in wholly manufactured goods were oils and fats, non-ferrous metals, and machinery.

Imports from Canada

The quarterly report incorporates returns showing the sources of supply of the chief lines of import, and the customary table is reproduced below showing the position of affairs with regard to some of those products in which Canada is interested.

One of the most striking changes in which Canada is concerned is in the wheat trade. Total imports during the quarter, namely 22,514,432 cwts., showed little change. The Dominion, however, supplied 11,604,111 cwts., an increase of nearly 70 per cent over the quantity shipped in the same period in 1935. There was a heavy reduction in the amount of barley arriving from Canada, although total imports went up by 66 per cent. A substantial decline (from 652,053 cwts. to 265,248 cwts.) took place in Canadian consignments of oats, with the result that the total fell to 274,512 cwts. this year. Total purchases from abroad of flour reached 2,313,231 cwts. during the quarter, an advance of 1,488,086 cwts. Receipts from Canada amounted to 944,445 cwts. against 883,084 cwts. in the first quarter of 1935.

The bacon trade fell away slightly. To compensate for this, Canada more than trebled her sales of lard to the United Kingdom.

Due to the recovery in the timber import trade, the value of Canadian lumber received in the United Kingdom improved; and imports from the Dominion of non-ferrous metals and manufactures went up in value by 83 per cent to £2,243,640.

Another staple Canadian export which made a good showing was newsprint. Shipments of this product from Canada increased from 45,406 cwts. in the first quarter of 1935 to 463,238 cwts. this year.

Imports into the United Kingdom of Certain Products

	Jan.-March, 1935		Jan.-March, 1936	
	Cwts.	£	Cwts.	£
Wheat—				
Total imports	22,286,600	6,225,383	22,514,432	7,807,678
Canada	6,836,568	2,375,589	11,604,111	4,264,770
Argentina	7,484,516	1,843,107	431,850	136,920
Australia	5,138,446	1,376,013	6,019,312	2,115,296
Soviet Union . . . . .	.....	.....	166,511	55,498
Barley—				
Total imports	2,400,013	730,952	4,018,855	976,907
Canada	193,706	63,075	110,653	32,449
United States	257,547	116,401	872,481	291,624
Soviet Union	10,000	2,610	1,470,550	303,628
Oats—				
Total imports	805,302	260,652	274,512	72,908
Canada	652,053	208,660	265,248	69,835
Wheat Flour and Meal—				
Total imports	1,825,145	679,249	2,313,231	1,002,301
Canada	883,084	404,045	944,445	485,560
Australia	426,119	149,098	705,801	288,894
France	306,878	76,977	257,687	88,923
United States	24,086	13,604	22,192	13,992
Tobacco, unmanufactured, stripped—	Lbs.		Lbs.	
Total imports	11,441,089	1,121,416	3,778,929	226,489
Canada	241,975	19,662	200,433	17,492
United States	10,181,354	1,067,080	1,860,645	159,660
British India	622,127	16,617	1,403,822	36,011
Tobacco, unmanufactured, unstripped—				
Total imports	36,442,871	2,588,679	61,312,808	3,863,493
Canada	4,578,675	301,631	5,290,701	335,639
United States	30,180,881	2,203,045	54,703,277	3,435,807
Southern Rhodesia	515,585	21,317	151,565	9,094
Bacon—	Cwts.		Cwts.	
Total imports	1,731,934	6,574,548	1,600,959	6,445,321
Canada	285,283	1,024,234	239,949	921,274
Denmark	933,236	3,760,239	852,020	3,643,826
Netherlands	117,759	460,686	115,318	468,479
Irish Free State	97,588	288,455	108,706	323,382
Cattle—	Number		Number	
Total imports	128,410	1,026,966	163,688	1,277,395
Canada	6,063	99,060	1,638	26,742
Irish Free State	122,347	927,906	162,050	1,250,653
Timber, hardwoods, unenumerated—	Thous. Cu. Ft.		Thous. Cu. Ft.	
Total imports	4,359	590,820	4,499	600,757
Canada	1,380	128,139	1,050	97,847
United States	1,480	239,903	1,480	226,096
Timber, soft, other than planed or dressed—	Loads		Standards	
Total imports	527,600	1,789,712	207,688	2,191,838
Canada	152,231	526,062	50,076	601,462
Finland	122,499	362,873	50,824	457,573
Sweden	68,875	216,446	38,489	342,691
United States	29,094	211,265	12,136	280,622
Non-ferrous metals and manufactures thereof—				
Total imports . . . . .	.....	6,136,452	.....	7,199,372
Canada . . . . .	.....	1,220,960	.....	2,243,640
Australia . . . . .	.....	623,722	.....	1,023,060
Northern Rhodesia . . . . .	.....	533,196	.....	501,489
Chile . . . . .	.....	880,460	.....	442,194
United States . . . . .	.....	608,585	.....	344,266

UNITED KINGDOM EXPORTS TO CANADA

A digest of a few of the principal items comprising British export trade to Canada in relation to total exports is given below. It is satisfactory to observe that in nearly all cases United Kingdom manufacturers are obtaining more orders in the Canadian market.

	Jan.-March, 1935		Jan.-March, 1936	
	Tons	£	Tons	£
Coal—				
Total exports	9,403,942	7,526,889	8,001,096	6,632,390
Canada	60,292	70,132	60,464	74,762
Pottery, glass, abrasives, etc.—				
Total exports . . . . .	.....	1,867,795	.....	1,960,343
Canada . . . . .	.....	177,287	.....	201,396

UNITED KINGDOM EXPORTS TO CANADA—*Concluded*

	Jan.-March., 1935		Jan.-March, 1936	
	Tons	£	Tons	£
Iron and steel and manufactures thereof—				
Total exports	523,892	8,295,992	496,100	8,166,079
Canada	16,226	337,601	20,323	439,805
Non-ferrous metals and manufactures—				
Total exports		3,510,321		3,270,251
Canada		66,281		84,560
Cutlery, hardware, implements and instruments—				
Total exports		1,852,503		1,910,036
Canada		72,363		80,609
Machinery—				
Total exports	93,724	9,512,496	95,422	10,097,656
Canada	1,286	191,334	1,869	228,016
Cotton manufactures, except apparel and embroidery—				
	Thous. Sq. Yds.		Thous. Sq. Yds.	
Total exports	545,118	10,753,195	509,467	10,360,567
Canada	17,890	353,868	17,679	345,533
Woollen and worsted yarns and manufactures—				
Total exports		8,597,093		8,614,438
Canada		831,839		1,068,753

MANUFACTURED FEEDSTUFFS IN THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 15, 1936.—A very wide range of feeding stuffs is in continuous demand to meet the increasing requirements of the live stock and poultry interests in the West of England. With these feeding stuffs are included all the grains generally used for this purpose, practically all the grasses, including hay and straw, the forage crops, as well as vegetables and a large variety of manufactured and by-product feedstuffs.

Hay is perhaps the most important commodity in this group; the hay situation in the West of England is periodically reported from this office. Wheat, barley, and oats are also imported from Canada for feeding purposes or for mixing and grinding into feeds in this country.

Home-grown feeds such as cereals, hay, peas, beans, potatoes, and forage crops, as well as by-products of the beet-sugar, cider, brewing, packing-house, vegetable-oil, and fishing industries, have contributed to the supply which has been increased progressively to render the live-stock industry as self-supporting as possible in the matter of feeding stuffs. However, as it is only under abnormal conditions that the farmer is prepared to sell or use all his crops for this purpose, there will always be a demand for supplies from overseas, both for fully manufactured feeding stuffs and for the raw material.

NOTES ON THE MORE IMPORTANT FEEDS

This report will consider only the so-called manufactured feedstuffs—that is to say, those which have been completely or partially processed from their natural condition or which are by-products of some other industry. The following remarks apply to some of the more important feeds likely to be of interest to Canadian manufacturers and exporters.

WHEAT FEEDS

Current prices are such that Canadian wheat feeds are only being offered on this market in limited quantities. Plate pollards and bran are offered at £4 2s. 6d. per ton (2,240 pounds), and middlings at £4 12s. 6d. French soft wheat red bran has recently been quoted at £4 10s., and pollards at about £4. These prices are all c.i.f. Bristol or Avonmouth, and are subject to a duty of 10 per cent.

In September of last year bran was coming in from Eastern Canada at around £4 18s. per ton c.i.f., while shorts were making up to £5 2s. 6d. When English feeds began to ease, however, interest in this market fell off, and it is understood that some Canadian mills have been able to dispose of their January, February, and March output elsewhere in the neighbourhood of £5 5s. for bran and a shade more for shorts.

RICE BRAN

There is very little business done in rice bran, and quotations from Burma vary from £3 15s. to £4 c.i.f. Avonmouth.

SOYA MEAL

The consumption of soya meal as a feeding stuff continues to increase, most of the imports coming from Denmark. Although Canadian and American soya meals are offered, these are usually found to contain as much as 6 per cent of oil as against 1 per cent in the Danish product. Too much oil has a laxative effect on live stock, and consequently is not desired. Danish meal is being offered at the present time at from £6 10s. to £7 per ton c.i.f. The duty on this product from foreign sources was recently increased from 10 to 20 per cent, shortly after a 10 per cent duty was placed on foreign soya beans.

OATMEAL

The trade in oatmeal is steady but not large. Scotch pinhead and whole groats are being offered at around £11 per ton. Little business is possible at prices as high as £12 quoted by Canadian suppliers.

OTHER CEREAL MEALS

Grade 2 barley meal is quoted at £5 15s. to £5 17s. 6d. per ton; maize (corn) meal, £4 15s. to £4 17s. 6d.; maize gluten feed, £6 5s.; maize flakes, £5 5s. to £5 10s.; pea meal, £10 10s.; and rolled wheat, £8.

ALFALFA MEAL

Although the volume of imported alfalfa meal tends to decline, Canada still supplies the largest share, which is about equal to the English production. Smaller amounts also come in from South Africa. The meal which Canadian exporters might care to offer should be of a rich green colour, and free from foreign matter. Prices are in the neighbourhood of £5 10s. per ton c.i.f.

A substitute for alfalfa meal is now being used in the West of England, and is being grown locally, but to date only on a restricted commercial scale. This new product is known as dried grass, and is cut when at a height of 3 or 4 inches. After drying it may, or may not, be ground for feeding purposes. It is understood that the price of such dried grass is competitive with imported alfalfa meal.

LINSEED MEAL AND CAKE

Canadian offers of linseed meal and cake have, on the whole, been too high in price. Shipments of linseed meal from India are quoted at £6 c.i.f. Avonmouth. Local crushers are offering cake at from £7 10s. to £8 10s.

MEAT AND BONE MEAL

Fair quantities of South American and New Zealand meat and bone meal have been imported, but at the present time prices are not competitive with those of home manufacture. There are several firms in the West of England producing this meal.

The percentage of the combination of oil and albuminoids (or protein) determines the quality of the meal. The oil content should remain relatively constant at from 8 to 15 per cent. Bone meal contains less than 40 per cent oil and albs. Meat and bone meal possesses between 40 and 55 per cent, while meat meal must contain over 55 per cent oil and albs. Recent prices have been in the neighbourhood of £7 for 40 per cent meal and £11 for 60 per cent meal.

FISH MEAL

There is a continuous demand for fish meal, but white fish meal is generally required, and English and Scottish producers are in a position to meet most of the requirements in this area. Scottish fish meal is being offered at £13 per ton, delivered in Bristol. Supplies have been obtained from foreign sources at as low as £6 10s. per ton, plus duty of 10 per cent. There is little demand for fish meal other than the white fish type and containing more than 1 per cent oil.

COD LIVER OIL

Cod liver oil is used widely for mixing with other feeds, and is generally obtained from English fishing areas at approximately 3s. per gallon delivered.

MILK PRODUCTS

Supplies of skimmed milk and butter-milk powder from the Netherlands have been quoted at £22 to £25 per ton c.i.f., plus duty of £6 per ton.

DRIED BEET PULP, BREWERS' GRAINS, AND APPLE POMACE

Dried beet pulp, brewers' grains, and apple pomace are all used as feed in the West of England, and are produced in Canada. However, there are plentiful supplies available as by-products of the sugar, brewing, and cider industries in this country, and therefore it is impossible for Canadian suppliers generally to be competitive.

There are, of course, a great many other feedstuffs imported into, or being produced in, this country which are not of particular interest to Canadian exporters. Many of them are used for mixing into so-called "balanced rations" by manufacturers here, who give their products trade names and indicate in their advertising the composition and analysis of their particular brand to show its nutritive value. Canadian manufacturers requiring further information are requested to communicate with the Canadian Trade Commissioner, Colston Avenue, Bristol, 1.

PAPER TRADE OF THE IRISH FREE STATE

A. J. TINGLEY, ASSISTANT TRADE COMMISSIONER

IMPORT DUTIES

Dublin, April 4, 1936.—By order of the Executive Council of the Irish Free State, a new customs duty of 50 per cent ad valorem has been imposed, as from this date, on all imports of manila, packing, or wrapping paper, which has no design printed thereon, and which is imported in sheets or rolls and is, when fully extended, of a weight equivalent to more than 11 pounds but not more than 90 pounds to the ream of 480 double crown sheets measuring 30 inches by 20 inches.

This new customs duty is in addition to the existing revenue tax of 5 per cent on all paper products. It does not, however, apply to paper of the following descriptions: imitation parchment; grease-proof paper; oiled, waxed, tarred

or pitched water-proof wrappings; paper coated to produce an imitation metal surface; transparent cellulose wrapping paper; and glazed and transparent paper.

The new duty is designed to afford protection to a domestic paper mill which is shortly to be reopened near Dublin. The order provides for the usual licensing feature, whereby, under certain circumstances, the minister may grant authority to certain licensed importers to import packing and wrapping papers without payment of duty.

In addition to the new duty above mentioned, the following table gives the other duties at present operating in respect of paper, stationery, and cardboard:—

	Full Rate Per Cent	Pref. Rate Per Cent
Envelopes, note paper and writing pads	50	33 $\frac{1}{3}$
Manuscript books, except ruled music books	50	33 $\frac{1}{3}$
Labels, tags and tickets	50	33 $\frac{1}{3}$
Commercial stationery	50	33 $\frac{1}{3}$
Bags, paper, not exceeding 8 ozs. in weight	50	33 $\frac{1}{3}$
Containers of cardboard and component parts	50	33 $\frac{1}{3}$
Egg box fillers and flats of paper and/or cardboard . .	30	20
Playing cards per dozen packs	9s.	6s.

LOCAL PAPER INDUSTRY

At the present time only three paper mills are operating in the Irish Free State. The Killeen Paper Mills at Inchicore, Dublin, manufacture paper bags, cardboard and wrapping papers. The Swiftbrook Paper Mills at Saggart, Co. Dublin, concentrate chiefly on the production of high-class writing papers, paper for the better-class printings, and commercial stationery; while a mill at Inchicore, owned by Messrs. Bibby & Barons, of Bury, England, concentrates on the production of common browns for bag making, etc.

The Clondalkin mill, near Dublin, which has been closed since 1921, is now to be reopened with Government assistance, and £150,000 of stock will shortly be issued to the public. This mill will concentrate upon the production of wrapping and packing papers, and the import duty of 50 per cent ad valorem now imposed on these products will likely give it a practical monopoly of the trade. By an arrangement with the Department of Industry and Commerce, the paper field has now been divided up, and each mill—including Clondalkin—will concentrate upon its own special type of production. Newsprint, the principal paper product imported from Canada, apart from the small revenue tax of 5 per cent, is free of duty.

IMPORTS OF PAPER PRODUCTS

The total imports of paper and paper products into the Irish Free State were valued at £1,241,759 in 1935. This shows an increase from the figures of £1,145,614 in 1934 and £1,130,382 in 1933, and is slightly more than the previous high total of £1,235,307 in 1931. Imports of products of the paper group have, in fact, exceeded £1,100,000 in each of the past eight years.

The chief individual items in the "paper and paper products" group, as listed in the trade statistics, and which are dealt with in this report, are, in order of importance, newsprint paper, other printing paper not coated, cardboard containers, empty (and component parts), millboard and strawboard, cardboard in the piece, packing and wrapping paper (glazed, unglazed, and machine-glazed), paper-coated hangings and wallpaper, stationery, oiled and waxed paper, vegetable parchment, and grease-proof paper.

Detailed import statistics for 1935, with the chief sources of supply and import values for all paper and paper products imported into the Irish Free State for 1935, 1934, and (for comparative purposes) 1931, are given in the following table.

Irish Free State Imports of Paper and Paper Products in 1935, 1934, and 1931

Chief Sources of Supply	1935	1934	1931
Total imports (all countries)	£1,241,759	£1,145,614	£1,235,307
Great Britain	622,000	692,845	736,822
Sweden	122,000	102,054	98,882
Germany	101,000	87,922	114,359
Finland	109,000	74,827	21,088
Northern Ireland	65,000	64,599	121,767
Canada	102,000	58,110	81,145
Netherlands	35,000	30,253	36,969
Belgium	18,000	13,364	11,666
France	5,500	4,660	1,851
United States	3,000	2,728	3,228

The chief increases in shipments of paper and paper products between 1931 and 1934 have been from Finland and Sweden. Imports from Great Britain and Northern Ireland, Germany, and Canada have shown a decline. For 1935, however, imports of paper products from Canada (supplied by courtesy of the Statistics Branch of the Department of Industry and Commerce) show a total value of £102,170—a new high record. This is largely due to increased shipments of Canadian newsprint during the past year, which alone amounted to approximately £88,000.

The extent of the market and the chief sources of supply for the principal papers and paper products imported into the Irish Free State is shown below:—

NEWSPRINT PAPER

Total Imports.—1935, 398,998 cwts. (£174,444); 1934, 311,830 cwts. (£125,533).

The chief sources of supply in 1935 (1934 figures in parentheses) were: Canada, £87,948 (£46,239); Finland, £47,000 (£30,732); Sweden, £19,000 (£32,390); Great Britain, £11,000 (£3,598); Germany, £8,000 (£10,416); and Norway, £1,180 (£1,970). Compared with 1931, shipments from Canada have remained steady, while imports from Great Britain, Germany, and Sweden have declined. Imports from Finland, on the other hand, have increased substantially.

Newsprint is the chief item of import in the paper group, and the demand in this country is slowly increasing. There are no mills manufacturing newsprint paper in the Saorstad. The demand is chiefly for the roll paper, and at least two Canadian firms ship regularly to this market. For the smaller towns and country districts the limited demand is largely for paper in sheet form. Last year Canada shipped 197,000 cwts. of newsprint valued at £88,000 to this market, which was practically 50 per cent of the total requirements.

PRINTING PAPER (OTHER, NOT COATED)

Total Imports.—1935, 138,080 cwts. (£146,227); 1934, 129,273 cwts. (£157,837).

The chief sources of supply with values for 1935 (1934 figures in parentheses) were: Great Britain, £89,000 (£116,139); Northern Ireland, £35,500 (£32,444); Finland, £8,500 (£1,624); Canada, £3,447 (£89); Germany, £2,700 (£4,010); and Norway, £2,500 (£1,999). Total imports have increased from 93,327 cwts. in 1931 to 138,080 cwts. in 1935.

CARDBOARD CONTAINERS, EMPTY (AND COMPONENT PARTS)

Total Imports.—1935, 40,030 cwts. (£99,682); 1934, 58,938 cwts. (£149,654).

Great Britain and Northern Ireland were the outstanding sources of supply. Imports of cardboard boxes and cartons had increased steadily up to 1933, when they reached their maximum of 77,180 cwts. valued at £172,261. Since that date domestic production of containers has increased substantially and imports will no doubt continue to decline, while the demand for cardboard in the piece should show a corresponding increase.

MILLBOARD AND STRAWBOARD (INCLUDING WALLBOARD AND WOOD-PULP BOARD)

Total Imports.—1935, 85,179 cwts. (£48,318); 1934, 177,112 cwts. (£98,059).

The chief sources of supply were as follows: Netherlands, £10,000 (£22,298); Germany, £9,500 (£22,668); Finland, £9,300 (£11,229); Great Britain, £6,600 (£11,090); Sweden, £5,800 (£10,387); and Canada, £2,640 (£11,782).

Imports increased steadily from 1931 to 1934, when they totalled 177,000 cwts. valued at £98,000. Imports in 1935, however, fell away to half the previous year's figure. In 1931 imports of millboard and strawboard from Canada were valued at £7,025.

CARDBOARD AND PASTEBOARD IN THE PIECE

Total Imports.—1935, 207,201 cwts. (£157,573); 1934, 47,251 cwts. (£46,072).

The chief sources of supply were: Great Britain, £81,300 (£41,318); Netherlands, £19,400 (£410); Germany, £18,300 (£713); Finland, £16,600 (£700); Sweden, £10,600 (£992); Canada, £6,913 (nil); and United States, £2,880 (£1,052).

The total imports of cardboard and pasteboard in the piece have shown a remarkable increase during the past four years, due no doubt to the increased domestic production of cardboard cartons and containers. Imports of cardboard have increased tenfold since 1931, while the import value has increased from £17,500 to £157,500 in the same period. Great Britain remains the leading source of supply, but increased shipments have been made by the Netherlands, Germany, Finland, and Sweden in 1935.

PACKING AND WRAPPING PAPER, GLAZED AND MACHINE-GLAZED

Total Imports.—1935, 142,285 cwts. (£101,625); 1934, 131,347 cwts. (£92,279).

The chief sources of supply were: Germany, £30,571 (£27,239); Sweden, £28,797 (£28,711); Finland, £25,854 (£19,296); Great Britain, £8,708 (£8,426); and Norway, £2,521 (£2,632). Imports in 1931 were 103,552 cwts. valued at £86,659. Imports from Germany have shown a slight decline since 1931.

PAPER, COATED; PAPER HANGINGS

Total Imports.—1935, 25,248 cwts. (£73,088); 1934, 23,994 cwts. (£73,364).

Great Britain continues to dominate this trade. Total imports have remained steady since 1931, but the value has declined by approximately 14 per cent since that date.

PACKING AND WRAPPING PAPER (UNGLAZED)

Total Imports.—1935, 37,301 cwts. (£32,960); 1934, 44,102 cwts. (£34,063).

Imports of packing and wrapping paper, unglazed, have declined steadily each year since 1929, when they amounted to 74,794 cwts. (£73,000), to 37,300 cwts. (£32,960) last year. The average import price per cwt. has declined from 19s. 7d. to 15s. 5d. in the same period. The United Kingdom (£11,915) is the chief source of supply, followed by Finland (£6,426), Germany (£4,244), and Sweden (£5,696). Imports of unglazed packing paper from Canada are not large—amounting to £47 last year.

OILED, WAXED, AND OTHER WATERPROOF WRAPPINGS

Total Imports.—1935, 13,283 cwts. (£34,069); 1934, 14,416 cwts. (£39,089).

Imports of oiled, waxed, and other waterproof wrappings have increased steadily since 1928, when they amounted to 3,188 cwts. (£12,700), up to 14,416 cwts. (£39,089) in 1934. The average import price per cwt., however, has declined from 79s. 8d. to 54s. 3d. in the same period. The United Kingdom continues as the main source of supply, with imports valued at £17,677 as against £21,393 in 1934. Imports from Germany and the Netherlands have increased rapidly since 1931, and are now almost equal to those imported from Great Britain.

STATIONERY, ENVELOPES, NOTEPAPER, WRITING PADS

Total Imports.—1935, £29,925; 1934, £31,673.

Imports of envelopes, notepaper, and writing pads have declined steadily from 1931, in which year they amounted to 18,346 cwts. (£72,455), or more than double the total import last year. The average import value has also declined from 79s. to 62s. 10d. per cwt. during the past five years. The United Kingdom is the outstanding source of supply. Imports of envelopes from Canada were shown as 12 cwts (£110) last year.

COMMERCIAL AND OTHER STATIONERY

Total Imports.—1935, £97,251; 1934, £106,584.

Total imports of commercial stationery have declined steadily since 1931, when they amounted to 20,066 cwts. (£121,000). Of last year's total commercial stationery accounted for £51,960, and labels, tags, and tickets for £26,255. The United Kingdom dominates this trade, but local mills are steadily increasing their output of all types of commercial stationery, and imports are expected to decline still further. Imports of commercial stationery from Canada were valued at £4 last year.

PAPER-MAKING MATERIALS

Total Imports.—1935, £15,026; 1934, £17,177.

Total imports of paper-making materials were valued at £10,000 in 1931, and have increased steadily in quantity during the past five years. Pulp of wood is the chief item in

this group, of which imports amounted to 1,250 cwts. (£12,250) in 1935. Over 90 per cent of the pulp imports were consigned from Sweden. Norway and Northern Ireland supplied the remainder. No imports were shown from Canada last year.

Imports of linen and cotton bags, mostly from Great Britain and Northern Ireland, amounted to 3,100 cwts. (£4,300) in 1935.

VEGETABLE PARCHMENT AND GREASE-PROOF PAPER

Total Imports.—1935, 25,176 cwts. (£33,816); 1934, 20,065 cwts. (£31,345).

Total imports of vegetable parchment and grease-proof paper amounted to 22,500 cwts. (£46,109) in 1931.

At one time the United Kingdom was the leading source of supply, but imports from both Belgium and Sweden are now considerably greater. Finland, Germany, and the Netherlands are the other sources of supply. It is impossible to trace any imports from Canada during 1935.

MISCELLANEOUS PAPER PRODUCTS

Imports of coated printing paper were valued at £40,652 last year as against £17,700 in 1934. Great Britain is the chief source of supply. Imports of tissue paper amounted to £1,791 as against £2,693 in 1931. Imports of tissue paper from Canada were shown as £456 last year, while Canada supplied blotting paper to the value of £11 out of a total import of £2,824. The United Kingdom was in each instance the main source of supply.

Imports of paper bags have declined steadily from 25,330 cwts. (£39,282) in 1931 to 2,264 cwts. (£6,680) last year, owing to the increased production of paper bags by local mills. The chief imports were from the United Kingdom and the Netherlands.

SUMMARY

In reviewing the extent of the market and recent trends of production, it would appear that the most favourable opportunities in connection with imports from Canada, as well as items in which the Dominion is already chiefly interested, are newsprint, cardboard in the piece, wallboard and millboard, and other printing paper not coated. Canadian exports of newsprint, £88,000 in 1935, are now approximately 50 per cent of the total; imports of cardboard in the piece, valued at £6,913 last year, are approximately 8 per cent; wallboard and millboard imports, valued at £2,639 last year, are approximately 3 per cent; while Canadian exports of printing paper not coated were valued at £3,447 last year, or approximately 2½ per cent of the total trade.

Canadian exports to this market of all other paper products combined amounted to only £1,100 last year, and in products other than the four mentioned above, it is thought that competition from Great Britain and Continental countries is too keen and the trade too long established for Canadian exporters to make any more than an occasional shipment to this market.

HIGHWAY DEVELOPMENT PROGRAM IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, March 25, 1936.—South Africa has no navigable rivers for internal communication, consequently all travelling is done by road, rail, or airway. The ox-wagon is still to be seen on the roads, but its employment as a means of transportation is rapidly giving way to the motor truck.

NATIONAL HIGHWAYS

About a year ago a National Roads Board was inaugurated in the Union of South Africa, and recently their program was announced. The Union comprises an area of 471,917 square miles, made up as follows: Cape Province, 276,536; Transvaal, 110,450; Orange Free State, 49,647; and Natal, 35,284 miles. The population is sparse and scattered, and the interests are in some ways conflicting, so that the problem of deciding upon a national road construction

program presents many difficulties. The task before the board was to select from approximately 75,000 miles of existing roads those routes which were most important from the national aspect.

The general plan recommended by the board provides for fourteen routes with a total mileage of 5,396. Provision is made for a highway running longitudinally through the centre of the Union from Beit Bridge, on the border between the Union and Southern Rhodesia on the north, to George, on the sea-coast at Mossel Bay (Cape Province) on the south. This route, together with two coastal routes, form the main arteries of the system; the remainder join up the principal centres with these routes or radiate from them, altogether forming a network of highways linking all the main centres.

In the main, the routes projected are on roads which are in existence at the present time, but which require considerable improvement to bring them up to a national standard. In carrying out the proposed program, the board recommends that one-fifth of each route or section of the route in each province be constructed, reconstructed, or improved, as the case may be, each year.

The program, which covers five years from April 1, 1936, calls for an expenditure of £11,157,094 and the construction, reconstruction, and maintenance of 5,400 miles of roads. Of the above mileage, 3,011 of national roads are located in the Cape Province, 1,075 in the Transvaal, 727 in the Orange Free State, and 583 in Natal.

By law, motor trucks are not allowed to compete against the railways in the carriage of freight. The railways, which are Government-owned, do, however, maintain road services, the extent and importance of which can be estimated from the following figures for the month of December, 1935: vehicle miles, 574,299; cream conveyed, 120,532 gallons; passengers carried, 225,792; tonnage conveyed, 33,261.

The standards of construction will provide as far as possible for safe, rapid, economical, and all-weather transport. The scheme of national roads provides, over the 5,396 miles, for the construction of approximately from 20 to 25 per cent thereof to bituminous standards. The average cost of construction over the whole mileage, exclusive of major plant and bridges, is estimated at £1,000 per mile.

NATIONAL ROADS FUND

In anticipation of the work to be undertaken by the National Roads Board, a National Roads Fund was created in 1935, when the Union Government allocated £500,000 for its establishment. The balance of the moneys required by the board to carry out their program during the next five years will be obtained from loans to be raised, amounting to £4,107,000, and from the proceeds of the gasoline tax at present in force.

PROVINCIAL ROADS

Quite apart from the program of road construction referred to above, which has been drawn up by the National Roads Board, the four provincial administrations—Cape Province, Transvaal, Orange Free State, and Natal—will continue road construction as before, under their own provincial roads departments.

In the past, the provincial administrations have received a percentage of the tax collected on the sale of gasoline and direct annual contributions from the Union Government for the purpose of road construction, and in addition have raised loans.

In the case of the Cape Province, the annual roads budget has been in the neighbourhood of £900,000, out of which is defrayed maintenance of existing roads, new construction out of revenue, overhead expenses, interest and redemption of loans for constructional purposes. Present plans call for the expenditure of £550,000 by the Cape Province before the end of 1936. This amount is to be

spent on plant and equipment, bituminous treatment of some 145 miles of existing roads, bridges and culverts, and gravel roads, principally over mountain passes.

With the entry of the National Roads Board into road construction, however, provincial expenditures will gradually decrease until 1940, when it is estimated that approximately £200,000 will be the annual outlay of the Cape Province, the major portion of which will be spent on tarred roads, bridges, and maintenance.

In the Transvaal, the provincial administration is to spend over £1,000,000 during the present year. It is also proposed to organize a special force of road workers consisting of selected European men who will work with natives, receive a higher rate of pay than is now current, and have wide experience in road building.

NEED FOR EQUIPMENT

As stated above, in the main the routes approved by the National Roads Board consist of existing roads in some shape or form. To bring them up to the standard of a national highway, however, will require considerable work. This means that the outlay for the necessary equipment will be considerable.

Bridges or cement causeways will have to be built, principally the latter, in numerous places. While there are no navigable rivers, there are many river beds which, following a rain, become totally impassable to motor traffic, and consequently to build an all-weather road, bridges or causeways must be constructed. This will necessitate the purchasing of a large number of cement mixers of various sizes and supplementary equipment.

To make all-weather roads, improved drainage is necessary, and special ditching machines or power graders with special attachments will be required. Many miles of new grading will have to be undertaken and many more miles of regrading. These will call for the purchase of a large number of new graders of various sizes. Road ploughs, scarifiers, scrapers, drags, dump wagons, stone crushers, and tools will all be required.

As bituminous carpets are to be used where there is heavy traffic, equipment for this purpose will also be in demand. For the maintenance of gravel roads, power maintainers are to be used, which will offer an outlet for this type of equipment.

Altogether, South Africa at the moment offers considerable possibilities to manufacturers of equipment used in road construction.

CANADIAN TRADE WITH GERMANY, 1935

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, April 7, 1936.—The record of Canadian trade with Germany during the year 1935 is one of drastic declines in the sales to this market and a maintenance of German business to Canada. German government restrictions against the payment for imports in foreign exchange and the purchase of various commodities, the effects of which had already been keenly experienced towards the close of 1934, became fully operative in 1935 and, combined with an intensification of the regulations governing barter trade, from which few beneficial results could ever have been expected, have now served to reduce this country's imports of Canadian products to an insignificant amount.

German trade to the Canadian market, on the other hand, aided by subsidies in many instances, has been remarkably well maintained. The net result has been that the Dominion's traditionally favourable balance of trade with Germany

has now given way to a distinctly unfavourable one, German exports in 1935 having been practically twice as large as the year's imports of all Canadian products.

SUMMARY OF TRADE

The following summary is based on official German statistics, and in this regard it is desirable that note should be made of various discrepancies between these and Canadian returns. The two compilations are reasonably comparable in so far as German exports to Canada are concerned, but differ widely with respect to Canadian exports to the local market. There can nevertheless be small doubt that the statistics used herein are sufficiently accurate to permit a clear understanding of the past year's trend and of the present position.

To preface a detailed statement on the subject there is given herewith a record of the value of Germany's imports from and exports to Canada since 1929:—

German Trade with Canada, 1929-35

	Imports from Canada	Exports to Canada
	Values in Thousands of Reichsmarks	
1929	303,100	84,800
1930	132,600	70,200
1931	99,100	47,200
1932	64,900	33,300
1933	79,200	28,000
1934	62,800	21,700
1935	13,300	22,900

Canadian exports to this market are seen from these figures to have declined regularly and to a serious degree, while Germany's exports to Canada have suffered to a much less drastic extent.

Statistics of imports, exports, and the trade balance are given herewith for the past two years:—

	1934	1935
	Values in Thousands of Reichsmarks	
Imports from Canada	62,800	13,300
Exports to Canada	21,700	22,900
Total	84,500	36,200
Balance	-41,100	+ 9,600

Imports of Canadian goods will be seen from the above table to have declined during 1935 to slightly over one-fifth of the 1934 total, and exports to have shown a small improvement. Total trade, as result of decreased imports, fell off by over 50 per cent, while an unfavourable balance has now been replaced by a favourable one of R.M.9,600,000.

Canada's position as a supplier of German import requirements and as a market for German products has, as a result of widespread changes in German trade during recent years, become a very inferior one. As a source of imports during 1935, Canada ranked forty-second among all countries of the world and as an outlet for German goods was in thirty-sixth place. This point may, however, be more clearly illustrated by reference to Canadian trade returns, which indicate that Germany was Canada's fourteenth most important market during 1935, but that Germany stood third in the list of suppliers of Canadian imports, being preceded only by the United States and the United Kingdom.

It may also be of value to preface more detailed statements on Canadian-German trade during 1935 by a comparison of quarterly returns with those of the previous year. The record is as follows:—

Imports into Germany from Canada, by Quarters, 1934 and 1935

	1934	1935
1st quarter	R.M.21,512,000	R.M.3,345,000
2nd quarter	20,495,000	3,131,000
3rd quarter	15,983,000	3,166,000
4th quarter	4,768,000	3,636,000

The heavy decline in purchases of Canadian goods which set in during the summer of 1934 and became fully effective in 1935 continues to persist, and there is even a possibility, as will be noted in later reference to the question, that an apparently irreducible minimum may still undergo contraction.

IMPORTS FROM CANADA

The following table presents detailed statistics of imports into Germany from Canada of all principal commodities during the years 1934 and 1935:—

Imports of Principal Commodities into Germany from Canada, 1934 and 1935

Commodity	1934 Values in Thousands of Reichsmarks	1935 Thousands of Reichsmarks
Nickel ore	7,825	3,693
Asbestos	1,270	1,287
Wheat	37,526	943
Raw copper	4,664	889
Metallic nickel	3,441	785
Raw furs	316	605
Mild-cured salmon	632	517
Raw wool	4	483
Fresh apples	518	430
Miscellaneous ores	63	350
Scrap copper	171	310
Zinc ore	297	293
Raw and waste brass	163	286
Dried apples	86	243
Metallic salts	36	217
Sausage casings	711	161
Frozen salmon	125	155
Copper colours, etc.	29	143
Logs	192	141
Chemical wood-pulp	809	138
Fine zinc	922	103

It will be observed that the largest individual decrease in import trade from Canada was in the case of wheat, but that the trade in metals and ores also suffered heavily. Substantial declines are to be noted as well in Germany's purchases of Canadian mild-cured salmon, fresh apples, sausage casings, logs, wood-pulp, and refined zinc. Counteracting these declines to some extent were increases in imports of raw wool, furs, miscellaneous ores, dried apples, scrap copper and brass, and metallic salts.

EXPORTS TO CANADA

Details of German export trade to the Canadian market in all principal commodities are given for the past two years in the following table:—

Exports of Principal Commodities from Germany to Canada, 1934 and 1935

Commodity	1934 Values in Thousands of Reichsmarks	1935 Thousands of Reichsmarks
Chemical and pharmaceutical products	2,781	2,885
Dyes, varnishes and lacquers	2,792	2,562
Coal	678	2,265
Glassware	1,235	1,296
Cotton textiles	23	1,212
Toys and slide rules	959	1,075
Copperware	761	825
Miscellaneous iron goods	665	757
Woven silk and artificial silk fabrics	769	680
Cutlery	561	680
Paper and paper products	568	570
Clay and porcelain ware	308	493
Tools	409	453
Miscellaneous machinery	332	432
Musical instruments	340	417
Textile machinery	338	389
Clocks	286	350
Refined potassium salts	424	329
Miscellaneous chemical raw products	201	329
Wines and must	47	325
Celluloid and products	314	299
Precision articles	215	268
Miscellaneous manufactured wares	366	268

Substantially improved sales in the Canadian market have been recorded in the case of coal, cotton textiles, wines and must, cutlery, copperware, and clay and porcelain ware particularly. There were several notable decreases, especially in the trade in vegetable oils and fats, and in flax, jute, and hemp, but with the exception of a few such items the trend was generally upwards.

PRESENT POSITION AND OUTLOOK

The foregoing summary of Canadian trade with Germany during the last two years merits further explanatory comment. It is improbable that in the whole history of Canadian foreign trade there has been as marked a decline in exports from the Dominion to any one market as there has been in the case of Germany during the last ten years. The principal cause for it has been the virtual cessation of German purchases of wheat and wheat flour. The latter commodity ceased to move into this market some four years ago, but the wheat business continued, although in decreasing values, until 1935, when small quantities only were purchased from Canada. The trade still persists but, almost without exception, the small parcels of Canadian wheat now purchased by Germany are for milling into flour for export, and it is only in such circumstances, in fact, that permission for wheat purchases in Canada is to be obtained.

Beyond this prime influence on the value of Canadian trade to Germany, however, there is as well the damaging effect of the regulations preventing the payment for imports in foreign exchange, except in rare instances, the restrictive operations of commodity import control boards from which permits for the purchase of goods must be secured, and the current necessity of complying with barter regulations which, towards the close of the year, were revised to a point where, in the case of Canada among several other countries, only a few commodities may now be exchanged on a 1:1 basis and all others in a proportion of 1:3.

The outlook for the current year is definitely unsatisfactory. It may be anticipated that import business of limited extent will be carried on in metals and ores, asbestos, lumber, and a few other commodities which are essential to German economy, but the stringency of the regulations governing the purchase of non-essential goods is much too severe to permit of the hope that a revival in the trade in these products may be experienced. The principal articles concerned are mild-cured and frozen salmon, fresh and dried apples, metallic salts, several types of sausage casings, wood-pulp, canned goods, cheese, and all the other commodities which, beyond the few regarded by the German authorities as "essentials," formerly went to make up the considerable variety and extent of Canadian trade to this market.

CURRENT ECONOMIC CONDITIONS IN GERMANY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40.)

Hamburg, April 14, 1936.—Economic conditions within Germany have, during recent weeks, been almost completely obscured by the political situation throughout Europe. This country cannot be said to now find itself in a position which is superior to or less satisfactory than that prevailing before these events, but it may at least be suggested that, at the moment, the future is even less subject to conclusive analysis than for some considerable time.

FINANCIAL SITUATION

The general financial situation is becoming increasingly involved. Governmental expenditures continue to remain at extremely high levels and, although

returns from taxation are correspondingly improved, there still remains a considerable gap between the two which is becoming more and more difficult to bridge. The Government has to date experienced what are apparently small obstacles only in floating domestic loans, but such operations promise in future to be considerably more difficult of accomplishment. The prospect of inflation is no more immediate than for some time past nor, as another possible means of correcting the present position, does it appear likely that any thoroughgoing reduction in expenditure will be enforced. It would accordingly appear that taxation must be further increased and that the rumoured levy on capital may yet become an actuality. No precise information regarding the 1936-37 budget can be secured. It is learned, however, that provisions for export subsidies and various other schemes for the maintenance of certain industries and the prevention of increases in unemployment are to be continued.

FOREIGN TRADE

There was a slight set-back in January and February from the satisfactory returns of foreign trade of the preceding months. The data in question are as follows:—

	Imports	Exports	Balance
January	R.M.364,000,000	R.M.381,800,000	+ R.M.17,800,000
February	338,800,000	373,500,000	+ 34,700,000

That the active balance, attained during 1935, persists is a reflection of the increased stringency of import control and the continued encouragement given to the production of export goods and their sale abroad. It may be noted, however, that the balance has been retained at a favourable figure only at the cost of further declines in total trade values.

TRADE WITH CANADA

There is little to add to previously published remarks on the current state of Canadian-German trade. Germany's exports to the Canadian market remain at undiminished values, whereas sales of Canadian goods to this market continue to decrease and are now composed of limited quantities of metals and a few other articles which are generally unobtainable from other sources. The restrictions on barter trade, referred to in previous articles in this Journal, are exercising a damaging effect on the already small volume of import business from Canada which existed at the time of their promulgation and bid fair to reduce this already minute total to insignificant proportions.

TRADE WITH SOUTH AMERICA

Germany has made considerable progress in extending her trade with South American countries. This has been arranged through various "clearing" and "compensation" agreements and the use of ASKI marks. At the moment this trade is still developing, but it is considered that Germany's requirements of raw materials are so greatly in excess of the consumptive power of most South American states that these markets will soon be flooded with German manufactures and the current volume of business will automatically decline.

UNEMPLOYMENT

There has been a favourable seasonal trend in statistics of unemployment. The total number of unemployed on March 31 was 1,937,000, a decrease during the month of 528,000. This is considered to be due to the normal resumption of activity in the agricultural and construction industries and to some extent also to enlistments in the defence forces.

GERMAN COMMERCIAL POLICY

One of the leading German trade journals refers editorially, in its March issue, to the "formal regulation of commercial agreements with certain parts of the British Empire, particularly Australia, Canada, and New Zealand," as being among "the most urgent duties for 1936 inherited from the past." The terminology employed and the source of such comment may be taken to indicate an appreciation, on the part of the commercial community at least, of the desirability of an adjustment in the situation referred to in the third section of this report ("Trade with Canada").

FOREIGN TRADE OF FRANCE IN 1935

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

Paris, April 10, 1936.—Although in nearly all countries there was a marked improvement in foreign trade during 1935, this improvement was not evenly distributed, and in France the value of both imports and exports declined. At the same time, however, the unfavourable balance of trade remained about the same as during the previous year, the balance being slightly over 5,000,000,000 francs. Imports have decreased by 5 per cent, but the decrease is much more serious in the case of manufactured goods, which fell off by 17 per cent. Imports of raw materials remained at about the same figure as during the previous year. As far as weight is concerned, the chief change was in an added tonnage of 368,000 metric tons of exported foodstuffs, largely made up of surplus wheat which was sold for feed purposes. In value of exports, however, there was a drop of 11 per cent, an important part of which is due to lower exports of manufactured goods, including products of the metallurgical industries, textiles, and ceramics.

IMPORTS

Tonnage figures show that France imported 44,616,000 tons of goods in 1935 as against 45,829,000 in 1934. Of this amount, only 5,483,000 represented foodstuffs, while raw materials for industry represented 37,567,000 tons, a decrease of only 500,000 tons from the previous year. Manufactured goods imported weighed 1,566,000 tons against 1,844,000 tons in 1934, a decrease of nearly 300,000 tons or 15 per cent. In the total of imports, manufactured goods only amount to about 3·3 per cent.

Value of imports declined to a greater extent than volume, total value being 20,945,000,000 francs as against 23,097,000,000 during the previous year. This value is about 35 per cent of the total value of goods imported during 1929: the physical volume of goods imported in 1935 was only 74 per cent of that in 1929. This means that the value in francs of goods imported has been about cut in half during the last six years, owing in part to the high price of the franc in relation to other currencies, partly to the general fall in values from 1929 until 1933, and only to a small extent to a change in the type of goods imported.

EXPORTS

As far as exports are concerned, the physical volume has actually increased from 28,441,000 tons in 1934 to 29,317,000 tons in 1935, an increase of 75,000 tons—in exports of raw materials of industry there was an increase of 1,132,000 tons. Foodstuffs exports increased by 368,000 tons, while exports of finished goods decreased by 625,000 tons.

The value of the exports, however, decreased from 17,850,000,000 francs in 1934 to 15,473,000,000 francs in 1935. It is well to note, however, that although the volume of manufactured goods exported is less than 10 per cent of the total

exports, the value is very close to 60 per cent, which shows that France still maintains her ascendancy in the luxury trades. As already stated, imports of manufactured goods only amounted to 3.3 per cent by volume, while their value was about 17 per cent, showing a very much smaller proportional difference and therefore less refinement in manufacture.

BALANCE OF TRADE

The unfavourable balance of trade was 5,472,000,000 francs, which is about 14 per cent of the total trade, and only higher by 200,000,000 than in 1934.

The total invisible balance brought in through the tourist trade in France this year is estimated at under 3,000,000,000 francs, a figure more than 75 per cent down from the peak year 1929, and altogether due to the higher prices now existing, which have forced tourists to visit Germany, Austria, and Belgium rather than the gold standard countries.

FRENCH IMPORTS AND EXPORTS

Value in 1,000 Francs

	1935	1934	Inc. or Dec.
Imports—			
Food products	6,230,350	7,483,766	— 1,253,416
Raw materials	11,181,515	11,371,383	— 189,868
Manufactures	3,533,386	4,242,073	— 708,687
Decrease: 9.31 per cent .. .	20,945,251	23,097,222	— 2,151,971
Exports—			
Food products	2,472,921	2,584,155	— 111,234
Raw materials	4,254,152	5,159,964	— 905,812
Manufactures	8,745,541	10,106,000	— 1,360,459
Decrease: 13.32 per cent .. .	15,472,614	17,850,119	— 2,377,505

Weight in Metric Tons of 2,204 Pounds

	1935	1934	Inc. or Dec.
Imports—			
Food products	5,842,497	5,938,604	— 456,107
Raw materials	37,566,893	38,046,363	— 479,470
Manufactures	1,566,356	1,844,011	— 277,655
Decrease: 2.65 per cent .. .	44,615,746	45,828,978	— 1,213,232
Exports—			
Food products	1,824,232	1,455,386	+ 368,846
Raw materials	24,632,070	23,500,300	+ 1,131,770
Manufactures	2,861,158	3,486,288	— 625,130
Increase: 3.07 per cent .. .	29,317,460	28,441,974	+ 875,486

The following table, which excludes imports from French colonial possessions, shows imports by weight from completely foreign sources of supply:—

Total Imports into France by Weight from Foreign Countries in 1935

	Metric Tons
Foodstuffs	1,609,007
Raw materials	35,596,248
Manufactured goods	1,527,155
	38,732,410
of which coal and oil	27,421,978
Others	11,310,432

Seventy-one per cent of the total imports into France by weight in 1935 from foreign countries represented coal and oil.

The following table shows the imports into France by countries during the years 1935 and 1934 in thousands of francs:—

Imports into France from Leading Countries

	1935	1934
	Figures in 1,000 Francs	
Total	20,945,251	23,097,222
French Colonies	5,382,840	5,843,751
United States	1,774,116	2,190,239
Germany	1,738,316	2,226,037
Great Britain	1,579,246	1,643,444
Belgium and Luxemburg	1,406,011	1,468,626
Australia	657,912	637,716
British India	610,893	522,762
Netherlands	521,398	627,044
Switzerland	506,585	523,986
Argentina	403,560	517,394
Italy	401,454	484,227
U.S.S.R.	368,521	454,853
Brazil	348,434	327,368
Spain	333,723	497,833
Canada	331,612	259,410
Sweden	280,782	321,034
Netherlands India	266,165	323,883
Egypt	261,424	269,238
British Malaya	232,813	238,143
British South Africa	228,290	260,280
China	228,207	141,700
Czechoslovakia	192,318	190,464
Japan	191,151	195,316
Roumania	157,029	246,984
Poland	153,237	176,639
Finland	143,254	153,606
Norway	120,578	145,669
Portugal	99,740	98,424
Spanish Morocco	97,626	142,575
Austria	94,374	103,716

Exports from France to Leading Countries

	1935	1934
	Figures in 1,000 Francs	
Total	15,472,614	17,850,119
French Colonies	4,889,807	5,514,088
Belgium and Luxemburg	1,814,822	1,977,733
Great Britain	1,611,782	1,543,688
Germany	1,049,477	1,989,195
Switzerland	1,037,391	1,266,377
United States	717,432	836,239
Italy	583,379	552,201
Netherlands	464,527	547,727
Argentina	313,887	290,569
Spain	301,385	395,767
Czechoslovakia	198,565	230,825
Sweden	184,341	147,549
U.S.S.R.	176,214	107,630
Egypt	131,343	135,182
Denmark	128,770	138,639
Poland	128,388	158,696
Brazil	107,214	116,017
Roumania	106,263	167,099
Japan	93,060	96,135
Portugal	92,804	81,677
Norway	86,258	76,388
Canada	83,600	89,801
Austria	80,694	84,712
China	72,086	88,525
British India	68,732	90,247
Yugoslavia	57,585	41,654
South Africa	44,947	45,081
Turkey	44,390	79,178
Australia	44,314	55,441
Finland	37,904	43,828

Canada is twenty-second as a market for French goods, with a very much smaller amount of imports than the imports of Canadian goods into France. It will also be seen from the first of the above tables that imports into France

of Canadian goods increased by 72,000,000 francs. Considerable increases were also credited to British India and China; nearly all other countries showed considerable decline.

France has a highly unfavourable balance of trade with sixteen of her twenty leading supplying countries.

Some of the more important products imported into and exported from France during 1935 are given below in order of their importance:—

Twenty Leading Imports into France in 1935

	1,000 Francs		1,000 Francs
Coal	1,946,791	Sugar	437,056
Wines	1,329,916	Vegetables	376,164
Mineral oil	1,309,104	Soft woods	350,519
Wool	1,212,125	Raw hides and skins	349,630
Oil seeds	1,195,897	Copper	340,160
Cotton	1,056,480	Spirits	275,652
Cereals	1,028,386	Wood-pulp	275,076
Fruit	830,802	Silk	228,335
Machinery and parts	792,443	Rubber	228,239
Coffee	600,673	Fish	219,048

It is interesting to note that the twenty different classifications mentioned above account for 70 per cent of French import trade during the year, and that the first six items, none of which could interest Canadian producers, account for 40 per cent of the total.

Twenty Leading Exports from France in 1935

	1,000 Francs		1,000 Francs
Industrial chemicals	1,538,504	Cereals	352,875
Iron and steel	877,939	Hides and skins	341,360
Cotton tissues	717,935	Sugars	327,630
Wines and spirits	689,840	Prepared medicines	244,605
Wool	668,427	Paper	241,509
Tools and metal work	551,382	Woollen yarn	232,463
Automobiles	523,718	Perfumery	223,742
Silk and rayon tissues	503,061	Coal	191,950
Minerals	425,076	Cotton yarn	187,238
Motors and engines	418,301	Woollen tissues	174,578

CONDITIONS IN MOROCCO

HERCULE BARRÉ, COMMERCIAL ATTACHÉ

Paris, March 31, 1936.—In the early years of the French Protectorate, Morocco prospered greatly as a result of loans granted to the Sherifian Government and to numerous French companies, through the expenditure of a large army of occupation, and by the efforts of thousands of Frenchmen and others in the upbuilding of her economic system. But the world crisis has compelled large numbers of Europeans to return home, strict regulations have limited immigration, and the army has been reduced considerably owing to the complete pacification of the outlying districts. These factors have greatly lessened the demand for imported goods and checked the need for new house construction, with the result that French insurance companies have curtailed greatly their investments in new building programs.

Briefly, Morocco of late years has had to depend practically on her own resources, the more so as she became subject, to some extent at least, to the import and quota restrictions of France. Hence the efforts to open up new markets for the products of her home industries. To meet the demand of these markets and to supply her own needs, and eventually those of France, new industries have been promoted such as sardine and tunny-fish canneries,

breweries, candle works, flour mills, and sugar refineries. Fruit growing and canning, with consequent increase in wine production and decrease of fruit and wine imports, have been developed in several parts of the country.

EFFECT OF THE CRISIS

The worst effects of the depression were felt in 1932, 1933, and 1934, but 1935 brought a slight change in the situation. In the present year conditions continue to improve, and seem to point to a gradual return of prosperity, thanks to the promise of exceptionally good crops and the settlement of old debts as described further on.

A few figures will show the extent of recent recovery. In 1935 exports amounted to 627 million francs as against 600 million in 1933, and in volume to 2,028,400 metric tons in 1935 as against 1,580,000 in 1933. For 1935 imports totalled 1,138 million francs as against 1,319 million in 1933. Hence the substantial reduction in the adverse trade balance.

INTERNAL PEACEFUL CONDITIONS

The pacification of the Atlas, Mid-Atlas, and other outlying regions, from which raids were regularly made on farmers and town dwellers, is now complete, and the nomads are settling down and acquiring farms. Migration has begun from populous parts towards the new areas. This double demographic movement is a factor in prosperity, since it means the end of sporadic local wars and increased consuming and productive powers. It will in time widen the market for foreign goods.

MINERAL WEALTH

Employment for native labour is sought in the development of mines and home industries rather than in the intensification of agricultural production. Hence the efforts made to increase the output of gold, nickel, molybdenum, zinc, lead, manganese, and cobalt, and to locate new workable mineral areas. The present production is, on the whole, small; the cobalt mines are said to be richer than the Canadian deposits and are likely to prove an important source of competition within a few years. Phosphate deposits are enormous, running into thousands of millions of tons. The principal mine has been in operation since 1921. The phosphates find a ready market in many countries in Europe, and in South Africa, Uruguay, and Japan. Exports reached a maximum of 1,800,000 metric tons in 1930 and totalled 1,103,318 tons in 1935.

Coal (Anthracite).—Working deposits of good quality were located a few years ago in Eastern Morocco, at Djerada. The production now exceeds 50,000 metric tons a year and is expected to reach 300,000 tons annually within a few years.

Iron Ores.—Large quantities have been located in various parts of Morocco—Khenifra, Taza, Oujda, the Western Atlas, the Anti-Atlas, etc.—and these deposits, according to estimates, run into tens of millions of tons. Economic conditions do not as yet permit profitable extraction.

Petroleum.—Production in 1934 was 553,590 tons, which was refined in France. It fell in 1935 to 102,875 tons. Notwithstanding this setback, an extensive program of research is now being carried out along the Riff mountains, and at Teelfat several wells are now operating.

Cement.—The large output of this industry, around 250,000 tons annually, has curtailed imports considerably. These were 61,706 tons in 1934 and 39,706 tons in 1935.

HYDRO-ELECTRIC POWER

One of the many boons conferred on Morocco by the protectorate has been the extraordinary increase of water supplies for irrigation, industrial and domestic purposes, and for the production of electricity. Water is filtered for home consumption, and distribution will eventually cover the whole country. Numerous hydro-electric plants supply consumers at prices which are being steadily lowered as circumstances permit. Electricity has now replaced candles in the majority of native houses in the large towns.

INDUSTRIES

Home Crafts.—The quality, appearance, and output of home crafts have been greatly improved, not by the introduction of machinery, since the age-old tools have been retained, but through greater technical knowledge imparted by skilled artisans employed as travelling teachers. The native character of the production, which had deteriorated previous to the advent of the protectorate, has been restored and is jealously safeguarded. New markets have been found, and once the world crisis is over, these home crafts will assist in raising the standard of living and in increasing the purchasing power of the people.

Breweries.—Beer was entirely imported up to 1932, when French interests built breweries with a daily capacity of over 100,000 litres. Despite this domestic output, imports in kegs for 1934 amounted to 1,688,600 litres (1,968,987 francs) and in bottles to 160,200 litres (367,625 francs). Japanese bottled beer has been recently introduced at Casablanca.

Flour-milling.—There are about thirty mills spread over the wheat areas, producing a fair quality of flour from native wheat. The embargo on foreign flour, wheat, and cereals has ensured the prosperity of this industry.

Other Products.—Morocco has always been a heavy importer of staple lines such as candles, sugar, and tea, as shown by the following figures for 1933, 1934, and 1935:—

	1933 Frs.	1934 Frs.	1935 Frs.
Candles	9,075,000	7,461,000	6,686,000
Tea	72,865,000	64,802,000	57,837,000
Sugar, raw	12,830,000	8,551,000	9,675,000
Sugar, refined	137,308,000	122,513,000	107,542,000

Candle works were established at Casablanca in 1932, and since that time four others have been started elsewhere. Their total production is from 7 to 8 metric tons a day, which is insufficient to meet the demand. Imports have been reduced to that extent.

Sugar refining was started on a small scale in 1932, and since that date the industry has grown considerably, the output varying with the volume of raw sugar imports. It is now estimated at around 25,000 tons annually.

From twelve to fifteen factories now produce Marseilles soap (known in Canada as Castile soap). The output approximates 10 metric tons a day. These works are managed by Europeans and are owned chiefly by French investors.

About 100 small factories work vegetable fibre into material to replace horse-hair. Large quantities are exported to France, Germany, Italy, and other countries.

Motor Vehicles.—The trend of the market in motor vehicles is decidedly favourable to those of United States and French manufacture. Imports in 1935 of passenger cars, auto buses, and trucks totalled 4,177 units as compared with 4,363 units in 1934. Of the 1935 importations the United States and France supplied 2,869 and 1,140 respectively as against 2,448 and 1,788 in the preceding year.

IMPORTS AND EXPORTS FOR 1934-35

The following table shows that Japan now ranks second among the countries of supply to Morocco:—

Countries	Imports from		Exports to	
	1935	1934	1935	1934
	Figures in 1,000 Francs			
France	445,311	565,918	287,996	337,435
Japan	114,091	107,385	3,036	2,061
Belgium	70,870	72,158	16,866	13,180
United States	68,881	69,952	6,960	6,046
China	63,091	73,896	1	3
Great Britain	49,026	58,954	30,843	23,884
Roumania	42,797	58,543	1,782	378
Italy	38,243	47,263	44,524	41,073
Germany	26,350	27,125	16,559	54,052
Holland	26,293	26,555	14,257	15,663
U.S.S.R.	19,336	25,445	.....	11
Dutch Colonies	18,995	20,941	49	7
Spain	16,658	26,278	53,080	54,504
Czechoslovakia	14,721	14,132	65	163
Switzerland	10,351	10,025	1,449	23
Denmark	9,460	9,048	15,919	17,842
Algeria	8,982	10,393	60,878	63,098
Cuba	8,916	7,959	18	13
Poland	7,946	4,434	3,037	2,992
Yugoslavia	7,747	8,827	2,011	1,074
Brazil	7,663	7,608	44	5
India	6,967	8,154	2	310
Austria	6,573	6,584	31	23
Sweden	6,483	7,059	590	185
Portugal	5,893	7,268	3,939	2,267
Iraq	5,069	2,793	780	9
Indo China	3,568	5,997	72	389
Argentina	3,515	4,796	36	36
Dutch West Indies	3,063	2,058	2	950
Canary Islands	1,915	1,926	5,511	4,716
French West Africa	1,711	1,692	9,470	5,304
Uruguay	961	2,207	143	8
Norway	786	827	2,252	1,953
Tunisia	365	1,470	603	708
Total	1,139,138	1,319,705	621,380	667,395

The success of the Japanese, whose sales are increasing steadily, is due to low prices. Cotton and rayon goods, rubber shoes, and ready-made clothing account for the bulk of Japan's exports, while phosphates represent two-thirds of her purchases from Morocco.

AGRICULTURAL CO-OPERATION AND CREDIT

A plan was adopted in January, 1935, to assist farmers indebted in respect of interest and repayment of capital. All short-term loans granted in 1935, as well as arrears of interest and repayment due to Agricultural Banks, have been taken over by the Caisse Fédérale, and transformed into 40-year annuities, at the low interest rate of 2·4 per cent. Furthermore, the Caisse de Prêts Immobiliers, the leading institution lending to farmers, has volunteered to spread over thirty years the repayment of loans, and to reduce interest to 2·4 per cent.

These and certain minor measures enable farmers to meet easily their annual instalments, finance their year's crop on favourable terms, and have something over.

PUBLIC FINANCE

Public finances have been severely affected by the crisis, and heavy deficits have been the rule for some years. But the budget prepared for 1936 shows a small surplus, thanks to the improved trade balance and, in part, to the decree laws enacted by the Laval Government, which the Sherifian Government requested should be extended to Morocco. Stringent economies have been imposed in every department.

FINANCIAL HELP TO MOROCCO

The ports of Casablanca, Fedala, Rabat, Lyautey, Mazagan, Safi, and Mogador, expenditure on which has totalled 1,300,000,000 francs, have been steadily improved even during the crisis. The network of motor roads has grown steadily, and in 1935 it totalled over 7,000 kilometres of main and secondary roads, tarred or macadamized. In addition, there are upwards of 20,000 kilometres of roads suitable for light cars from eight to twelve months of the year, according to altitude and nature of the soil. These roads have cost over 400,000,000 francs. The railway companies have laid down 1,300 kilometres of standard-gauge lines and nearly 900 kilometres of narrow-gauge lines at a cost exceeding 3,000,000,000 francs, and they are still extending their mileage. Development of hydro-electric services, for the irrigation of arable lands and water supply, has cost 500,000,000 francs.

Reafforestation on a large scale has been started. Stock farming, the traditional resource of pastoral tribes, has been improved and extended. Fishing, which was almost non-existent, has proved a valuable enterprise. The internal market is now abundantly provided with fresh fish, while canning industries have been set up in several towns along the coast. Modern towns have been built outside the native quarters at Casablanca, Rabat, Fez, Meknès, and Marrakesch, which now house over 150,000 Europeans. The expenditure on development and building may be estimated at from 4,000,000,000 to 5,000,000,000 francs.

THE MOROCCAN MARKET

The world crisis affected Morocco later than most countries. It has nevertheless been felt acutely for the last few years, and although prospects of better times are fairly encouraging, it is only when prosperity has become a certainty that Canada may find here a profitable market for her products.

As has been already noted, Japan now occupies second place as a source of supply to Morocco; five years ago imports from that country were not recorded separately in the returns.

Notes on the products imported into Morocco which are of interest to Canadian exporters are appended.

AGRICULTURAL IMPLEMENTS

It was easier to sell agricultural implements from Canada during the first years of the protectorate than it is now. Large farms started by Europeans required up-to-date machinery, and orders were placed readily. When the crisis came the four hundred large farms were fully equipped and did not require additional plant, the more so as the majority of them had not completed the repayment of their borrowings, and had to be helped by the Government to do so. Furthermore, two years of bad crops, added to the depression in the wheat market, brought the sale of agricultural implements almost to a standstill. Total imports, including tractors, in 1935 were valued at 4,190,000 francs as against 5,544,000 francs in 1934. However, the promise of exceptionally good crops this year may renew the demand for new parts and possibly for new machines. There are 3,000,000 natives farming more or less extensive plots, and good times would stimulate a demand among them for modern implements. In this field the best opportunity lies.

SILK HOSIERY

A large demand exists for natural silk stockings, of which the United States is actually the largest supplier to Morocco. Two brands, well known in Canada, are favoured. The make which sells best is quoted around \$8 per dozen f.o.b. New York and retails at 19 francs per pair. Other brands, for which the demand

is less, retail, according to quality, at from 22 to 25 francs a pair. A firm of importers in Casablanca would be glad to obtain the agency of a Canadian firm able to compete with the foregoing prices.

Rayon stockings, from Germany and Spain, are sold extensively, but only to the natives, owing to low prices.

INSULATING BOARDS

On account of the climate, extremely hot in summer and very damp during the rainy season, floors everywhere are built of cement and walls are covered with tiles. As insulating materials these are satisfactory against heat but not against dampness, and are useless against sound, which renders hotel bedrooms almost uninhabitable. Architects have tried to overcome these drawbacks by using cork, which is very abundant here, and even compounds of cork and coal-tar. Cold storage depots have used this compound, but it has proved unsuitable for homes, apartment buildings, and hotels.

Against sound and dampness there is nothing better available than carpets for floors and straw matting for walls. Insulating boards, which solve the problem of protection against cold, heat, and sound, are unknown. In order to secure business technical information and guidance as to the uses and advantages of this material are essential. Interested Canadian manufacturers should provide their agents with a good supply of samples and clear explanatory literature in French, since French is the only language spoken by the vast majority of likely buyers.

FOODSTUFFS

Canned Salmon.—Canadian salmon is obtainable in the best groceries, but sales are limited, first, because of the abundance of fresh fish and its cheapness; second, because of Japanese competition. Native groceries stock Japanese salmon only, owing to its low price. One-pound tall tins retail at 1 franc 75 centimes and the $\frac{1}{2}$ -pound flat tin at 1 franc, while the cheapest Canadian salmon retails at 3 francs 75 centimes for the 1-pound tin and 2 francs 50 centimes for the $\frac{1}{2}$ -pound tin.

Canadian salmon is imported via Marseilles, and the prospects of increasing sales are not bright at the moment. The return of good times would bring back a large number of Europeans, and with a greater number of potential consumers of high-grade foodstuffs, the market for Canadian salmon would be much improved.

Powdered Milk.—There is a large market for this product, and Canadian powdered milk enjoys a good reputation. The demand is for powder in bulk packed in cases of 50 kilos, which are sold unbroken to restaurants, hotels, and sweet makers.

Smoked and Canned Meats.—The demand for Canadian smoked, salted, and canned meats, which was fairly large a few years ago, is decreasing. Chicago packers, all represented in Casablanca, monopolize this business. None but very low-priced brands can hope to secure a footing at present. An important Casablanca firm, whose name is on file at the Department of Trade and Commerce, would be glad to import such Canadian products as can compete with the Chicago brands or with similar specialties for which there may be a market in Morocco.

Apples.—Morocco is a heavy consumer of apples. Unfortunately for Canadian trade, all imported apples are sold as Canadian, whether red or yellow and whatever their origin. This is due to the fact that (1) a Normandy apple is sold in France and exported here under the name of Reinette du Canada, and

(2) Canadian apples, introduced a few years ago, proved to be of superior quality, so that dealers now describe all imported apples as of Canadian origin. A further handicap to the recovery of this market, at first so promising for Canadian growers, is due to the methods of the native dealers who buy in Antwerp or accept from United States firms offers of inferior apples at low prices. In order to dispose of their consignments quickly they sell 500 or even 1,000 cases at cost price and the rest of the shipment at a small profit of 1 franc 50 centimes or 2 francs per case. European importers cannot compete on such a basis, and have in consequence given up trading in imported apples.

Flour and Cereals.—By a decree dated June, 1929, the Sherifian Government prohibited the importation of foreign flour, wheat, and cereals into the French zone. This measure was taken to protect the flour mills established in the protectorate and to aid wheat growers. It was expected that it would be repealed after a few years and replaced by a system of quota regulations, but owing to the persistency of the crisis, it is being kept in force until further notice.

PAPER AND TIMBER

Timber.—Distance and lack of direct communications have handicapped Canadian exporters in the past. Scandinavia had the bulk of this trade until recently, when Russia entered the market with high-quality timber of all descriptions and at low prices.

Douglas fir is well known and appreciated. Its higher cost laid down at a Moroccan port, when compared, for instance, with Oregon pine, is a handicap which may possibly be overcome in the future now that a direct service between Canada and Morocco has been established.

Paper.—There is keen competition in this fairly important market. The United States supplies a cheap quality, used for writing and bookkeeping. Sweden has been supplying kraft paper until recently, when Belgium supplanted her by offering cheaper wrapping paper under the description of kraft. Canadian papers, which have been submitted to a few importers, have been found superior to all others but far too expensive for this market.

DIRECT SERVICE BETWEEN MONTREAL AND TANGIERS

As announced in *Commercial Intelligence Journal* No. 1681 (April 18, 1936), page 716, the new Italian line, "Compagnia Genoese de Navigazione a Vapore," has completed arrangements for a regular twelve-day service between Montreal and Mediterranean ports. Freight will be accepted for delivery at Tangiers (Morocco).

CREDIT CONDITIONS AND METHODS OF PAYMENT

The long credits once allowed by wholesalers, agents, and jobbers have been greatly curtailed of late years. However, it is still customary to grant sixty or ninety days, and sometimes 120 days. Four-months credit is, however, exceptional, and is limited to such lines as radio sets, gramophones, motor cars, and vacuum cleaners.

The best terms of payment obtainable in Morocco are cash against shipping documents. The Banque d'Etat, an official institution offering every security, will accept the consignment of goods, collect drafts, and remit to exporters. In the present state of business, no consignment should be made or long credits granted without first obtaining reliable information on the status of buyers.

TRADE OF FRANCE WITH CANADA, 1935

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

(The rate of exchange for 1935 is taken at an average of 15·10 frs. to the dollar.
Conversions for 1934 were at 15·39 frs. and for 1933 at 18·63 frs.)

Paris, April 10, 1936.—The total trade of France with Canada in 1935 amounted to 415,212,000 francs (\$27,499,000) compared with 348,600,000 francs (\$22,659,000) in 1934 and 480,916,000 francs (\$25,814,063) in 1933. The increase from the previous year is therefore 66,612,000 francs or 19 per cent.

The increase is altogether due to a heavy increase in imports from Canada, since exports to the Dominion decreased by almost 6,000,000 francs or \$400,000. Imports from Canada rose from 259,410,000 francs to 331,612,000 francs, an increase of 72,202,000 francs (\$4,781,600) or 28 per cent.

The balance of trade remains very favourable to Canada, the difference amounting to 248,012,000 francs (\$16,476,000), compared to 169,098,000 francs (\$10,991,370) in 1934 and 261,228,000 francs (\$14,021,902) in 1933.

IMPORTS FROM AND EXPORTS TO CANADA, 1913 AND 1924 TO 1935

The table on the following page shows the trade between the two countries in 1913 and 1924 to 1935:—

Year	Imports from Canada Francs	Exports to Canada Francs	Balance Favourable or Unfavourable Francs
1913	18,369,000	27,456,000	— 9,087,000
1924	446,937,000	340,465,000	+106,472,000
1925	339,287,000	359,340,000	— 20,053,000
1926	398,833,000	642,890,000	—244,057,000
1927	722,668,000	700,833,000	+ 21,835,000
1928	619,870,000	674,853,000	— 54,983,000
1929	843,443,000	586,667,000	+256,776,000
1930	447,350,000	458,653,000	— 11,303,000
1931	829,812,000	318,535,000	+511,277,000
1932	532,222,000	159,000,000	+373,222,000
1933	370,569,000	109,852,000	+260,717,000
1934	258,849,000	89,751,000	+169,098,000
1935	331,612,000	83,600,000	+248,012,000

IMPORTS INTO FRANCE FROM CANADA

Total French imports from Canada in 1935 amounted to 331,612,000 francs (\$22,000,000) compared to 258,849,000 francs (\$16,815,185) in 1934 and 370,569,000 francs (\$19,917,980) in 1933.

Wheat has always been the unstable factor in the trade, since imports depend almost entirely on the condition of the French crop, which is generally fairly close to the total requirements of the market. In 1935 imports of wheat fell off, but there was a large increase in shipments of products other than cereals, as the following table shows:—

	1933	1934	1935
	Figures in Francs		
Total imports	370,569,000	258,849,000	331,612,000
Imports of cereals	228,317,000	156,085,000	132,260,000
Imports (other than cereals)	142,252,000	102,764,000	199,352,000

In trade unrelated to the variable grain trade, and including the year 1932, which does not figure in the above table, France's imports from Canada were valued at \$3,102,810 in 1932, \$7,646,000 in 1933, \$6,679,660 in 1934, and \$12,208,700 in 1935. The main increases were in raw hides and skins and in copper, each of which was greater by over \$2,600,000. Zinc and lead represented the other main increases, while wood-pulp, soft-woods, automobiles, and rubber goods represented the remainder. All these products were affected by the present trade agreement between the two countries.

The main decreases, apart from wheat, were in preserved fish (due to decreased quotas) and prepared hides and skins.

The following is a list of imports from Canada specified in the French trade report:—

Imports into France from Canada

	1935	1934	1935	1934
	Value in 1,000 Francs	Value in 1,000 Francs	Weight in Metric Tons	Weight in Metric Tons
Raw pelts and skins	83,700	40,804	248.9	251.8
Cheese	509	488	117.5	117.4
Fish—				
Frozen	701	1,668	200.2	505.6
Dried or canned	9,284	11,483	3,862.6	5,283.5
Lobster	5,918	6,646	527.5	596.0
Cereals	132,260	156,751	213,549.1	263,128.9
Fruit	1,247	226	952.0	148.3
Seeds	626	983	105.8	182.4
Common wood	2,276	636	11,398.0	3,195.0
Wood-pulp	9,126	8,743	8,481.7	8,807.4
Stones and earths	5,441	4,259	4,571.9	3,770.7
Copper	43,513	4,345	16,302.8	1,601.1
Lead	3,777	.....	3,152.7	.....
Zinc	2,500	560	1,767.2	372.9
Nickel	2,444	655	171.4	50.7
Ores	2,542	1,893	4,781.5	5,917.4
Chemicals	3,382	2,872	11,771.8	7,292.2
Dressed pelts	5,464	7,568	13.3	21.2
Machinery	703	830	113.3	206.3
Spare parts	287	96	39.1	4.7
Automobiles (99)	1,866	1	188.8	1.0
Rubber goods	2,341	834	271.6	122.3
Other articles	11,705	7,066	.....	.....
	331,612	259,407	282,588.7	301,576.8
	Inc., 72,205=27.84%		Dec., 18,988.1=0.63%	

EXPORTS TO CANADA FROM FRANCE

The total value of French exports to Canada in 1935 amounted to 83,600,000 francs as compared to 89,801,000 francs in 1934, 109,852,000 francs in 1933, and 138,999,000 francs in 1932. The amount has therefore steadily decreased. This year's decline amounted to about 7 per cent, while the total loss since 1932 in French francs has amounted to 39 per cent, or in Canadian dollars to 11 per cent.

Despite the considerable decrease in the total value of merchandise, however, increases were to be noted in the exports of 19 out of the 46 different items shown in the trade returns. The most important of these were in spirits, raw hides and skins, and leather goods. Among the decreases the most important were in wines, perfumery, glassware, silk yarn, and cotton and woollen tissues.

The following table gives the chief exports from France to Canada with comparisons for 1934:—

Exports to Canada from France

	1935	1934	1935	1934
	1,000 Frs.	1,000 Frs.	M. Tons	M. Tons
Raw pelts and skins	4,255	1,638	459.2	182.0
Cheese	1,160	1,104	128.1	122.3
Fruit	3,641	3,958	661.8	676.9
Syrups, sweets, jams, biscuits	194	193	44.3	36.7
Vegetable oil	1,273	1,232	293.0	278.5
Fusel oils, natural and artificial essences	1,171	1,111	11.1	9.9
Preserved vegetables	645	673	163.6	164.5
Nursery stock	584	386	121.0	95.8
Wines and brandies	9,394	10,778	578.1	815.5
Mineral waters	933	1,031	1,015.1	1,088.7
Iron and steel	910	515	2,364.7	956.7
Tartric acid and tartrates	16	37	3.5	8.0
Other chemicals	1,148	1,445	148.8	283.6
Dyes	520	354	28.1	25.0
Ink, colours and pencils	332	277	390.3	221.3
Perfumery and soap	2,183	3,183	420.6	530.9

	1935 1,000 Frs.	1934 1,000 Frs.	1935 M. Tons	1934 M. Tons
Compound medicines	3,556	3,817	180.8	210.9
Earthenware and china	529	414	37.2	69.7
Glass and crystal	766	1,665	554.2	1,575.3
Yarns—				
Cotton	585	657	13.0	13.4
Silk	116	1,615	2.3	119.8
Fabrics—				
Jute	492	182	57.2	14.6
Cotton	2,751	4,859	45.7	60.5
Wool	2,313	3,364	51.8	77.2
Silk	8,890	9,378	84.7	78.4
Millinery and ready-made clothes	3,794	4,390	37.7	38.9
Paper and cardboard	6,250	6,284	603.9	585.4
Books, engravings, etc.	2,779	2,936	164.9	148.7
Dressed skins	190	263	3.1	3.8
Leather goods	3,706	2,942	22.4	17.9
Dressed pelts	2,586	2,314	30.1	25.5
Jewellery and imitation	654	627	2.7	2.9
Tools and hardware	1,170	1,229	117.5	78.0
Musical instruments	232	278	.....	.....
Hats and caps	104	77	3.0	3.0
Scientific instruments	173	252	3.9	6.2
Fans and small ware	2,282	2,462	74.1	79.7
Toys and games	613	588	24.6	25.2
Artificial flowers	218	196	.....	.....
Works of art	155	263	.....	.....
Post parcels	3,173	3,294	52.6	51.9
Other articles	7,164	7,640	.....	.....
	83,600	89,901	8,998.7	8,783.2
	Dec., 6,301=7%		Inc., 215.5=0.24%	

CHIEF COMMODITIES IMPORTED FROM CANADA

It will be seen from the table already given that the chief imports from Canada are wheat, raw hides and skins, copper, prepared hides and skins, preserved fish, earths and clays (asbestos), lobster, chemical products, lead, zinc, nickel, rubber goods, and automobiles. A few notes on some of the outstanding import products are subjoined.

WHEAT

For the two years 1933 and 1934 wheat accounted for over 60 per cent of Canada's total sales to France. For the first time in 1935, however, the percentage has fallen below 50 per cent, the total actually being 40 per cent.

During the last three years France has had a very large excess crop of wheat, and imports have consequently decreased. But another movement has also taken place at the same time towards obtaining colonial rather than foreign supplies. As a result imports have decreased from 26,023,334 bushels in 1934 and 30,789,012 bushels in 1933 to 25,773,114 bushels in 1935. Of the total, the Canadian share has decreased from 13,746,563 bushels in 1933 to 9,606,530 bushels in 1934 and to 7,845,996 bushels in 1935.

On the other hand, imports from the colonies have been rising consistently and during 1935 amounted to 17,165,893 bushels as against 15,070,176 in 1934. As a result, imports have decreased by only about 1 per cent, but the sources of supply have rapidly changed from the principal wheat-exporting countries to those most closely related to France politically. The wheat produced in Tunisia is of exceptional quality, and although it cannot be compared with the Canadian product, it can be marketed as a hard wheat. At the present time there is no possibility for a larger outlet in France because of these colonial supplies, although, as a poor French crop is expected, there might be a good market for Canadian wheat in the period June to October.

The following table gives all the statistical information necessary for a further study of the import situation in France:—

Imports of Wheat into France

	Bushels		Bushels	Percentage
	1935	1934	Inc. or Dec.	Inc. or Dec.
Canada	7,845,996	9,606,530	—1,760,534	— 18.32
Argentina	390,074	840,628	— 450,554	— 53.59
Algeria, Morocco, Tunisia	17,165,893	15,070,176	+2,095,717	+ 13.90
United States	53,873	139,806	— 85,933	— 61.53
Roumania . . . . .	.....	1,502	— 1,502	—100.0
Germany	2,756	11,163	— 8,407	— 75.31
Russia	189,483	294,618	— 105,135	— 35.68
Belgium	11,791	9,840	+ 1,951	+ 19.82
Turkey	6,647	3,689	+ 2,958	+ 80.18
Iraq	46,102	.....	+ 46,102	+100.0
Chile	60,414	44,706	+ 15,708	+ 32.89
Total	25,773,114	26,023,334	— 250,220	— 0.96

RAW HIDES AND SKINS

France is a large user of hides and skins for the production of leather and prepared furs. Total imports in 1935 amounted to 32,266 tons against 27,500 tons in 1934. The trade with Canada during the year decreased slightly in tonnage, being 249 tons as against 252 tons in the previous year and 153 tons in 1933. However, the value rose to 83,700,000 francs in 1935 from 40,804,000 francs in 1934 and 57,119,000 francs in 1933. This suggests that part of the 1934 tonnage was made up of raw hides, while for 1933 and 1935 the tonnage would mostly be made up of raw furs, whose value would be very much higher.

PRESERVED FISH

Imports of canned salmon are the most important item under this heading, but unfortunately the trade is governed by a quota which until this year (1936) was divided equally between Japan, Canada, and Russia. In 1935 the quota amounted to 142,000 quintals, which was considerably lower than during the previous year, but was still within the present consumptive demand in France. The total amount of preserved fish imported from Canada in 1935 came to 3,862 tons as against 5,283 tons in 1934. This amount is practically equal to the total quota accorded to the Dominion for the year, which amounted to 4,200 tons, and the small difference is probably due to the late entry of part of the shipments.

WOOD-PULP

Canada has only a small proportion of the market, being credited with 8,842 tons in 1935 as compared with 8,807 tons in 1934 and 17,138 tons in 1933. Total importations were 612,209 tons in 1935, 679,357 tons in 1934, and 658,817 tons in 1933.

Canada, however, has tariff concessions only on dry bleached chemical pulp, and on others could probably not compete because of price and shipping facilities on Scandinavian pulp. In the other item on which concessions were obtained, the total imports were 123,803 tons, so that Canada obtained a little over 7 per cent of the market.

DRESSED PELTS

Imports from Canada are practically all in patent leathers, and amounted only to 13 tons in 1935 as compared with 21 tons in 1934. The trade, however, is regulated by quota under which Canada obtains a guaranteed percentage, and the reason for the present decrease is the tightening up of import restrictions with the further development of the French industry.

METALS

The year under review was a satisfactory one as far as Canada is concerned. Imports increased from 5,560,000 francs in 1934 to 52,234,000 francs in 1935. Imports of copper increased to 16,303 metric tons in 1935 as against only 4,351 tons in 1934; lead increased to 3,153 tons from 378; zinc from 250 tons to 1,767; while imports of nickel decreased from 244 tons to 171. With respect to nickel, France is not an important market as far as Canada is concerned, since supplies are obtained from the French colony of New Caledonia.

ASBESTOS

This comes under the heading "earth and stones." Canada's trade increased from 3,770 tons in 1934 to 4,572 tons in 1935.

LUMBER

Total imports of lumber from Canada in 1933 were 879 metric tons; in 1934, 3,195 tons; and in 1935, 11,398 tons.

APPLES

During 1935, for the first time since the application of the new import regulations, full use was made of the quota. Imports increased from 148 tons in 1934 to 952 tons in 1935. Fruit, however, is included in some of the most important French trade agreements, notably with Argentina, Chile, South Africa, and the United States.

RUBBER GOODS

The present trade agreement between France and Canada gives to the Dominion the advantage of the minimum tariff on many articles under this heading which are not regulated by quota. As a result the trade, especially in rubber boots and canvas-topped shoes, showed a considerable increase. Imports amounted to 272 tons (2,341,000 francs) as against 234 tons (834,000 francs) in 1934.

AUTOMOBILES

Under the small quota granted Canada for 1935, ninety-nine cars were imported into France at a valuation of 1,866,000 francs. There was no quota in 1934.

WHEAT AND FLOUR SITUATION IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.2 pounds; one metric ton equals 2,205 pounds; one florin or guilder equals Can.\$0.402 at par and approximately \$0.67 at the current rate of exchange. Conversions have been made at par, unless otherwise specified.)

WHEAT

Rotterdam, April 17, 1936.—A weakness of demand has brought the quantity of wheat imported into the Netherlands during the first three months of 1936 down to 108,466 metric tons, which is well below the quarterly average. A feature of the period has been the sharp increase in takings from Canada caused by the more competitive prices and dearth of adequate supplies elsewhere. Out of the total, 37,273 tons or 34 per cent were credited direct to Canada and an additional 27,988 tons to the United States. This latter can be regarded as Canadian wheat which moved for export through United States ports. If the two figures are thus added, Canada supplied 65,261 tons or 60 per cent of the total quantity entering the country, a position which has not been held since 1933.

Many Dutch mills are now using as much as 50 per cent Canadian wheat in their grist, which is close to the possible maximum owing to the necessity of employing 35 per cent of the home-grown product.

Particulars of wheat imports during the quarter, together with comparative figures for the preceding three months and the corresponding period of 1935, are as follows:—

Country of Origin	Jan.-March, 1935		Oct.-Dec., 1935		Jan.-March, 1936	
	M. Tons	\$	M. Tons	\$	M. Tons	\$
Total	137,404	2,076,400	135,878	2,455,600	108,466	2,148,400
Germany	312	5,600	1,968	29,600	9,432	170,400
Belgium	3,180	50,800	2,963	56,400	1,081	22,000
Canada	29,735	544,800	25,165	506,000	37,273	761,200
Argentina	88,843	1,216,000	70,117	1,232,000	16,352	303,600
United States	6,964	131,600	3,365	63,600	27,988	578,800
Sweden . . . . .	.....	.....	8,823	127,200	3,621	66,800
Uruguay	7,370	107,200	.....	.....	.....	.....
Russia . . . . .	.....	.....	.....	.....	11,989	233,200

WHEAT IN STORAGE

The quantity of foreign wheat stored in Rotterdam continues to be abnormally low. On March 28 the total was only 12,400 metric tons in comparison with 29,730 tons at the beginning of the year and 26,830 tons at the end of the first quarter of 1935.

As regards the present small stocks, 8,175 tons are of Canadian origin, 3,165 tons are from South America and the balance is from Russia.

CROP CONDITIONS

Nearly all the wheat grown in the Netherlands is autumn sown. The current season's crop seems to be developing normally and indications at present are for a harvest of normal quality and quantity.

FLOUR

The official Netherlands statistics covering flour imports for the first three months of 1936 show an increase in purchases from the United States, although the quantity entering during February and March was below the minimum prescribed by the recent treaty between the two countries which became effective on February 1, 1936. In January the United States was credited with 767 metric tons, in February with 901 tons, and in March with 1,120 tons.

Theoretically, and subject to a competitive price, the quantity of American flour coming to Holland should have been approximately 2,500 tons in each of the last two months. That it was not has been due to the delay and difficulties in setting up the machinery to market this flour, together with the price situation. A gradual increase up to the stipulated maximum may be anticipated, however.

Details of imports from all sources are appended:—

Country of Origin	Jan.-March, 1935		Oct.-Dec., 1935		Jan.-March, 1936	
	M. Tons	\$	M. Tons	\$	M. Tons	\$
Total	9,150	184,000	12,296	288,000	10,435	252,800
Germany . . . . .	.....	.....	668	13,200	.....	.....
Belgium . . . . .	.....	.....	103	2,400	105	2,800
United Kingdom . . .	549	12,400	522	12,400	733	19,600
France	5,526	87,200	2,873	56,000	2,949	62,000
Italy . . . . .	.....	.....	928	11,200	.....	.....
United States	1,782	56,800	2,093	68,400	2,788	90,000
Canada	587	17,200	1,352	40,000	1,086	32,000
Switzerland . . . . .	.....	.....	471	6,400	.....	.....
Australia . . . . .	.....	.....	222	5,600	.....	.....
Poland . . . . .	.....	.....	.....	.....	2,469	38,800
Hungary . . . . .	.....	.....	2,670	65,600	135	3,200

UNITED STATES FLOUR TRADE

By virtue of the recently concluded Netherlands-United States trade agreement which, as has been noted, went into force on February 1, 1936, this country bound itself to purchase 5 per cent of its total flour requirements from American millers, a quantity which approximates about 30,000 metric tons. This is the equivalent of the total volume of unmixed flour which Dutch bakers are allowed to use for mixing purposes as provided for by the Wheat Mixing Law and which has hitherto been imported from Canada, Hungary, and other countries in addition to the United States.

There has up to date been considerable uncertainty regarding the operation of this clause of the treaty and its effect on the existing trade in foreign flour. It was first reported that the United States was to receive an extra 5 per cent over and above the existing quota and that the quantity involved would be disposed of by turning it over to Dutch mills for mixing purposes.

It has now been definitely established, however, that this will not be the case, but that the 22,500 tons of foreign flour which is used by the bakers will consist exclusively of American flour. Dutch mills will continue to be allowed to dispose of the 7,500-ton quota of flour ground entirely from foreign wheat. It is intended that a like quantity which is necessary to bring the new United States quota up to its total of 30,000 tons will be absorbed by flour-using industries.

Flour imports from the United States are subject to the stipulation in the treaty that the product must be competitive as regards both price and quality.

OTHER FLOUR IMPORTS

While circumstances favour the United States for the bulk if not all the Netherlands flour market, a loop-hole has been left open for certain other countries. It is unofficially stated that flour originating in Canada, the United Kingdom, Hungary, and Australia may be imported up to the maximum which was entered from all these sources in the year 1935 provided it is competitive in price. According to the Netherlands statistics, the gross figure for the period in question was 10,207 metric tons.

With the existing restricted outlets for foreign flour, it will be difficult for the market to absorb even this comparatively small quantity if the United States is able to deliver its whole quota under whatever may be regarded as competitive conditions.

TAX ON IMPORTED FLOUR

The so-called monopoly tax on foreign flour was, effective February 1, 1936, reduced from fl.7 to fl.6.25 per 100 kilos. From March 25, 1936, it was again lowered to fl.6. A new method has now been worked out for computing this tax. By virtue of a ministerial order effective from April 18, 1936, the basic rate has been set at fl.4. Apart from this, however, it is provided that the Minister of Commerce, Industry and Shipping may, at the suggestion of the Central Flour Office at The Hague, impose an additional tax. For the time being this has been fixed at fl.2, leaving the gross levy unchanged at fl.6 per 100 kilos.

By virtue of existing legislation Dutch millers must use 35 per cent domestic wheat for which they pay a fixed price of fl.15.75 per 100 kilos (about \$2.90 per bushel). In addition, they have to pay a monopoly tax of fl.2 per 100 kilos for the additional 65 per cent of foreign wheat. Based on a 75 per cent flour extraction, the additional tax over and above the basic fl.4 will be calculated on the price of the imported wheat, which is the only variable factor. Thus if world wheat market prices fall the tax may be raised, while if they increase it can be lowered.

FLOUR CONSUMPTION

Statistics regarding flour consumption by the Netherlands bakeries during the year 1935, which have recently been published, indicate an increase in comparison with the preceding period. These figures, which do not include flour used outside of bakeries, are issued monthly by the Central Flour Office at The Hague, and their origin is due to the control of the flour trade with the inception of the Wheat Mixing Law in 1932.

For 1935 the monthly average of consumption was 48,100 metric tons in comparison with 46,600 tons in 1934 and 42,400 tons in 1933.

ECONOMIC CONDITIONS IN THE UNITED STATES

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York City, April 25, 1936.—General business activity in the United States has been well maintained during the first quarter of 1936, although adverse influences of importance appeared in March, such as the tense European situation and the disastrous floods that swept through the Eastern States. The latter resulted in many deaths, rendered a large number of persons homeless, and destroyed property valued at millions of dollars.

It is too early to measure the immediate effects of the disaster on business trends. It is known, of course, that business has been temporarily paralyzed over large areas and that time will be required to put many of the damaged industrial and commercial properties in operating condition. Huge economic losses have been suffered which will never find direct statistical measurement. On the other hand, circumstances have made necessary excessive reconstruction work, which will give employment to a large number of workers.

Increased retail sales have been noted during the past quarter. The total sales of departmental stores in March as well as in the first quarter were 9 per cent higher than in the corresponding periods of last year. Expansion took place in some of the leading manufactured products such as automobiles, steel, and building material.

STEEL INDUSTRY

The present output of raw steel is not believed sufficient to maintain the recent high volume of shipments of finished steel products against first-quarter contracts. With the automobile industry pressing for immediate delivery, the construction field is providing the second most important outlet. Flood rehabilitation work has brought a further sharp impetus to steel releases from construction sources.

Steel ingot production for the first three months of 1936 totalled 9,363,731 tons, the highest first-quarter output since 1930, compared with 8,517,437 tons in the corresponding 1935 period. The average operating rate for the 1936 period was 54.7 per cent as against 49.97 per cent for the first quarter of 1935.

The monthly output of steel was as follows:—

	1936 Tons	1935 Tons
January	3,049,439	2,871,531
February	2,967,803	2,777,765
March	3,346,489	2,868,141
Total	9,363,731	8,517,437

AUTOMOBILE INDUSTRY

The sharp recovery in the retail automobile sales, which has been under way since late in February, has reached proportions considerably beyond

the expectations entertained in mid-winter when the movement of cars was considerably curtailed.

While the final figures on retail deliveries in this country last month will not be available for some time, present indications are that new car and truck sales in March ranged between 380,000 and 400,000 units. This would represent an increase of between 70 and 80 per cent over the total of 220,000 units delivered domestically in February.

In the first quarter production was about even with 1,100,000 units turned out in the like period of 1935, and below the output of 1,264,000 units in the second quarter of 1935.

BUILDING CONSTRUCTION

Dun & Bradstreet, Inc., report that the building construction industry in March gained about the normal seasonal amount over February, thereby raising the total value of permits issued last month to \$78,120,344. This was the largest March figure reported since 1931 and was the highest total recorded for any month since September of that year. Compared with the February permit value of \$51,559,661, a rise of 51.5 per cent is shown, while the increase over March, 1935, figure of \$45,063,852 is 73.4 per cent.

Although slightly below the last quarter of 1935, the volume of permits for the first quarter of 1936 was above that of any period since 1931. The aggregate for the first three months of this year totalled \$184,637,909, compared with \$99,526,487 of a year ago, an increase of 85.5 per cent.

AGRICULTURE

(Crop Year August 1 to July 31)

The Crop Reporting Board of the United States Department of Agriculture stated that while crop prospects on April 1 appear to have been better than on that date in any of the last three years, they were not particularly bright because of recent freezes and storms, excessively wet weather in the East, and continued dry weather over the Great Plains.

The area of the country that is seriously short of moisture appears small in comparison with the vast dry areas of 1934 and 1935, and with favourable weather conditions, pastures in most states may easily make up for the late start. Farmers generally appear to be expanding their operations, although developments in the new Soil Conservation Program will undoubtedly cause some modification in their plans. Reports show that demand for farm labour has increased as compared with a year ago, farm wages are higher, and the number of local men still available for employment at current wage rates appears to be substantially lower than at this time last year.

WHEAT

The Crop Reporting Board on April 1 estimated the winter wheat output at 493,166,000 bushels as compared with 433,447,000 bushels last year, and the five-year average (1928-32) of 618,186,000 bushels. The condition of winter wheat was 68.5 per cent of normal compared with 69.8 per cent on April 1, 1935, and the ten-year average (1923-32) April 1 condition of 78.9 per cent.

Farm holdings of 97,053,000 bushels of wheat on April 1, except for the 93,456,000 bushels reported on April 1 last year, were the smallest since the spring of 1928, when they stood at 86,477,000 bushels. The largest holdings were in 1933, when they amounted to 181,781,000 bushels on April 1. Farm stocks of corn and oats were estimated at 776,112,000 bushels and 494,666,000 bushels respectively.

COTTON

The total stock of United States cotton in all hands in the United States at the end of March was approximately 8,722,000 bales, compared with 9,973,000 bales on the corresponding date last year and 10,734,000 bales two years ago.

The total supply plus the new crop was 17,582,000 bales against 17,096,000 bales last year. However, both domestic consumption and exports in the eight months through March greatly exceeded the same period last year. Domestic consumption aggregated 4,003,000 bales compared with 3,564,000 bales last season, and exports of 4,857,000 bales compared with 3,559,000 bales. This made the total distribution in eight months 8,860,000 bales as against 7,123,000 bales for the corresponding eight months of the 1935 crop year.

Consumption has been assisted by the relatively high level of general business activity in this country, and the exports and foreign consumption have been aided by the foreign countries fully absorbing nearly all the greatly enlarged home crops and requiring increased supplies of United States cotton to meet their needs.

COMMODITY PRICES

The Bureau of Labour Statistics monthly index of 784 wholesale price series rose only 1.1 point or 1.4 per cent from February, 1935, to February, 1936. Changes since August, 1935, have been inappreciable with the index for three of the six months standing at 80.6.

For the four weeks ending March 21, the combined weekly index declined from 80.8 to 79.3 or 1.9 per cent, chiefly as a result of declines of 6 per cent in farm products index and 5.2 per cent in the food index. Meat, meat products and substitutes, as well as other products that had advanced as a result of the 1934 drought and the A.A.A. program, have fallen substantially during the past few months, with resultant declines in the price index of foods and farm products.

The Department of Agriculture reported that the general level of farm prices was somewhat lower in mid-March than a month earlier. Prices of hogs, dairy products, eggs, and cotton had declined, while prices of grain had risen a little.

FOREIGN TRADE

In the latest report on United States foreign trade issued by the Department of Commerce, the total exports for the first quarter of 1936 amounted to \$575,123,000, an increase of \$50,875,000 from the total of \$524,248,000 for the like period of 1935. Imports into the United States for the first three months amounted to \$580,510,000 compared with \$496,679,000 for the corresponding 1935 period, a gain of \$83,831,000.

The United States exports and imports for the first quarter of 1936 as against the first quarter of 1935 are as follows:—

<i>Exports</i>			<i>Imports</i>		
	1936	1935		1936	1935
January. . . .	\$197,950,000	\$176,223,000	January. . . .	\$187,439,000	\$166,832,000
February . . .	181,838,000	162,999,000	February . . .	192,776,000	152,491,000
March	195,336,000	185,026,000	March	200,295,000	177,356,000
Total. . . .	\$575,123,000	\$524,248,000	Total. . . .	\$580,510,000	\$496,679,000

Exports for the month of March were valued at \$195,336,000, an increase of 7 per cent over the preceding month, and were accompanied by a 4 per cent rise in import values to a total of \$200,295,000. Both exports and imports were substantially above those for the corresponding month of last year and marked the third consecutive month in which increases over 1935 were recorded.

The excess of imports over exports in March amounted to \$4,959,000, compared with a similar adverse balance of \$10,191,000 in February and a favourable balance of \$10,511,000 in January. For the first quarter of 1936 there was an unfavourable balance of \$5,387,000 compared with a favourable balance of \$27,569,000 for the corresponding period of 1935.

Detailed figures of United States trade with Canada for the first quarter are not yet available from the United States Department of Commerce.

UNEMPLOYMENT

According to the National Industrial Conference Board unemployment increased during February. The total number of unemployed workers was estimated at 9,848,000. The increase totalled 48,000 or 0.5 per cent from January of this year. This, however, was a decrease of 324,000 or 3.2 per cent from February, 1935.

From January to February, 1936, the increases in unemployment by industrial groups were: manufacturing and mechanical industries, 57,000; and trade, 37,000. Decreases of unemployment amounted to 49,000 in transportation, 20,000 in domestic and personal service, and 7,000 in extraction of minerals.

CAR LOADINGS

There has been a general improvement in freight traffic for the first quarter of 1936 as compared with the corresponding quarter of 1935. Loadings for the first fourteen weeks of this year totalled 8,521,081 cars as against 8,050,374 cars in the comparable period of 1935, a gain of 5.5 per cent.

Loadings by commodities for the first fourteen weeks of 1936 as compared with 1935 are as follows:—

	1936 Cars	1935 Cars
Miscellaneous freight	3,228,088	3,009,912
Merchandise, l.c.l.	2,080,903	2,144,472
Coal	2,015,010	1,873,164
Forest products	389,065	326,157
Ore	80,900	55,781
Coke	124,865	100,896
Grain and grain products	437,663	362,188
Live stock	164,587	177,762
Total	8,521,081	8,050,374

BANK CLEARINGS

Exchanges of cheques at the principal clearing houses of the country in March totalled \$28,857,690,986, the largest amount since December, 1931. The total represented a gain of 20.2 per cent from the February total of \$24,011,219,986, and a gain of 9.4 per cent from \$26,372,642,401 for March, 1935.

In New York city clearings aggregated \$18,471,635,224, the largest since October, 1931, and a rise of 26.6 per cent from the preceding month. Outside of New York city clearings totalled \$10,386,055,762, an increase of 10.1 per cent from February.

Clearings for the country in the first quarter of 1936, as compiled by the *Financial Chronicle*, were as follows: January, \$27,587,460,144; February, \$24,011,219,986; March, \$28,857,219,986—a total of \$80,455,900,116.

MONEY AND BANKING

The export movement of gold from this country, which had its inception in February, ended in the first week of March. Imports of gold in March amounted to \$7,795,000 and exports to \$2,315,000, compared with imports of

\$7,002,000 and exports of \$23,637,000 for the month of February and imports of \$45,981,000 and exports of \$338,000 for January.

The total imports of gold for the first three months of 1936 amounted to \$60,778,000, a decrease of \$225,338,000 compared with imports of \$286,115,000 for the corresponding period of 1935. The exports for the first quarter of 1936 totalled \$26,290,000 compared with \$949,000 for the corresponding period of 1935, an increase of \$25,341,000.

The following table shows the imports and exports of gold for the first quarter of 1936 as compared with the like period of 1935:—

<i>Imports</i>		<i>Exports</i>	
	1936	1935	
January.. . . .	\$45,981,000	\$149,755,000	January.. . . . \$ 338,000
February.. . . .	7,002,000	122,817,000	February.. . . . 23,637,000
March.. . . .	7,795,000	13,543,000	March.. . . . 2,315,000
Total	\$60,778,000	\$286,115,000	Total \$26,290,000
			\$ 949,000

The principal changes in the banking situation in the past month reflect primarily the financial operations of the Treasury, including income tax collections and the issue of new securities on March 15. The most conspicuous of these changes is a sharp reduction in member-bank reserves, accompanied by an almost equally sharp increase in Treasury cash and deposits with the Federal Reserve banks.

Excess reserves of member banks on March 25 were \$750,000,000 lower than four weeks earlier and exactly \$1,000,000 below the December peak. This was due to a marked increase in holdings of government and government-guaranteed obligations by member banks, a decline in demand deposits, and a gain in government deposits.

The volume of security financing during March rose sharply above the totals of February and March, 1935, and reached the highest level since July, 1935. The total of \$459,967,221 compared with \$212,613,304 in February and with \$249,561,000 in March, 1935.

As in the past, financing was chiefly for the purpose of refunding outstanding obligations. Exclusive of municipal offerings, new capital raised amounted to only \$32,000,000 out of a total of \$338,000,000. For the first quarter new company capital totalled \$90,000,000 out of \$783,000,000. Although the total volume of financing has reached the highest level since the early years of the depression, new capital raised remains extremely low.

MARKET FOR CODFISH IN PUERTO RICO

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

Havana, April 6, 1936.—Puerto Rico, which for several hundreds of years was a Spanish colony, became a territory of the United States following the Spanish-American War at the close of the last century. While remaining predominantly Spanish, the government, its laws and institutions are modelled after those of the United States and under direct supervision from that country. San Juan, the capital, with a population of 115,000, is the largest import centre, while Ponce and Mayagüez are also of ranking importance. The majority of its 1,543,000 inhabitants being of Spanish descent, the taste for dried fish has long been established, while dried or salted fish is an important staple in the diet of the negro population when prices are commensurate with their limited buying ability.

Severe hurricanes and the low prices brought by Puerto Rican products (sugar, coffee, tobacco, and fruits) have greatly curtailed purchasing power

within the island during recent years. As a result, imports of all products have been greatly reduced. Imports of dried fish, which were important in the years of fair export markets, have suffered considerably due to the fact imported foods are now a luxury for the majority of the people, whose circumstances have been reduced to such an extent that they are unable to buy anything but the barest necessities of life.

IMPORTS

The most recently available statistics of Puerto Rican imports are for the fiscal year ended June 30, 1934. In so far as fish and fish products are concerned, practically no division as to varieties is made, while countries of origin apart from the United States are omitted. In these circumstances it is considered advisable to append the statistics issued by the Dominion Bureau of Statistics to show Canadian exports of dried cod to Puerto Rico. It is stated in the trade that a large part of the imports shown in the Puerto Rican figures as originating in the United States is in reality of Canadian origin.

Exports from Canada to Puerto Rico of Dried Codfish

	Cwts.	\$
1932	79,139	401,944
1933	46,477	217,654
1934	41,415	200,202
1935	47,348	265,732

MARKET REQUIREMENTS

San Juan is the main importing centre for dried codfish. While from time to time the Norwegian grades of regular, superior, and inferior are sold in this market, the general grades in demand are those used by Canadian exporters, namely, large or prime, medium, and small. The first-named grade is purchased only in small quantities, while the latter two types are most in demand, particularly medium. Two main types of curing are usual, namely, medium dry (43 per cent dry-cured) and very dry-cured. The former is shipped in tierces or drums of 224 pounds net, while the latter is sold in large tierces of 448 pounds net. All codfish should be white in colour, generally small or medium in size, without head, and with bones and skin not removed. A white interior is preferred.

PRICES, SALES METHODS, ETC.

Codfish of 43 per cent humidity is being quoted at \$6 per drum of 128 pounds net, c.i.f. main ports, while the very dry-cured variety is sold at \$16 per tierce of 448 pounds net. These prices are for medium quality, there being a premium usually of about 25 cents per 100 pounds over the small grade. Sales usually are made through agents, although some importers buy for their own account. In the main, sales are on the basis of cash against documents, but as there is such a wide variety of methods of sales, ranging from consignment to irrevocable letter of credit, no fast rule as to preferred terms can be laid down.

LOCAL PREFERENCES

Canadian codfish has been long and favourably known on the Puerto Rican market and is perhaps the type most preferred. United States codfish from Massachusetts is also sold in fair quantities, but that from Norway and other European countries is known but slightly.

CUSTOMS DUTIES, ETC.

Puerto Rico being a Customs District of the United States, the tariff of that country applies. In the case of codfish this amounts to $1\frac{1}{4}$ cent per pound

when containing not more than 43 per cent of moisture by weight and $\frac{3}{4}$ of 1 cent per pound when containing more than 43 per cent of moisture by weight.

PROSPECTS FOR INCREASED CANADIAN SALES

With the very low purchasing power persisting in Puerto Rico in spite of the increased prices for sugar in the United States during 1935, which somewhat relieved the situation, the market appears to be absorbing all the codfish possible, and there is little likelihood of any increase in imports for the next year at least.

TRADE AND ECONOMIC CONDITIONS IN SIAM, 1935

B. C. BUTLER, ACTING TRADE COMMISSIONER

(One tical equals 45 cents Canadian at present exchange; one ton equals 1,000 kilograms)

Singapore, March 18, 1936.—The Kingdom of Siam has felt the effects of the depression more severely than perhaps any other Eastern country. Her wealth depends on the sale of her agricultural and mineral products, the markets for which have been restricted in recent years and prices have been discouragingly low. In addition to these economic troubles, the country has been unsettled during the past four years by political disturbances resulting from the change from the traditional monarchy to a democratic form of government.

There was a slight improvement in 1935 in the condition of the rice market, Siam's main source of income, and total foreign trade registered a small increase. Despite political troubles with their unsettling effects upon both the import and export trade, the financial condition and currency of the country are sound. The political future is still clouded, but the year under review appears to have seen the turn of the tide economically for Siam.

GOVERNMENT FINANCES

The third successive budget surplus is estimated for the year ending March 31, 1936. The currency notes in circulation at the end of December, 1935, totalled 131,332,000 ticals, an increase of 6,600,000 ticals over December, 1934. The reserve against this note issue was over 151,000,000 ticals, of which 108,000,000 ticals is in the form of sterling securities and the balance, 43,000,000 ticals, is in coin.

TRADE

The trade of Siam for the past three years and for 1929 is tabled below:—

	Total Trade	Imports Figures in	Exports 1,000 Ticals	Trade Balance
1929	368,031	179,650	188,382	8,732
1933	196,679	85,195	111,484	26,289
1934	261,598	95,581	166,017	70,436
1935	266,270	107,601	158,669	51,068

The figures for the years 1935 and 1934 include the trade through all ports, while those for the preceding years are for the port of Bangkok only. This port handles approximately 90 per cent of Siam's import trade and 70 per cent of the export trade. With this in mind, comparison with the earlier years is possible.

EXPORTS

Exports totalled 158,669,000 ticals (Can.\$71,401,000) against 166,017,000 ticals (Can.\$78,028,000) in 1934, a decline of about 4 per cent. The following table shows Siam's main exports for the last three years and for the year 1929

for comparison. As in the previous table, the figures for 1935 and 1934 are for all ports, while those for previous years are for Bangkok only:—

	1929	1933	1934	1935
	Figures in 1,000 Ticals			
Rice	143,423	84,667	92,523	91,685
Tin ore	13,433	25,542	25,514	23,211
Rubber	3,103	2,359	7,270	12,338
Teak	11,663	4,134	4,506	4,285
Other goods	33,318	22,683	36,204	27,149

The main destinations of Siam's exports, with the percentage of the total in each case shown in parentheses, were as follows in the year 1934-35: Singapore (26), Hongkong (21), Penang (21), India (9), West Indies (6), China (5), Netherlands India (2).

Canada's purchases in that period are shown in Siam's statistics at \$33,000, while the Dominion Bureau of Statistics records imports from Siam to a total of \$52,000. (See remarks below under "Imports.")

RICE

The total value of the rice exports registered a decline of just under 1,000,000 ticals, and the volume was practically unchanged at 1,830,200 tons against 1,842,000 tons in 1934. As an indication of how Siam's income from her major export has fallen, exports in 1926-27, the all-time record, were 1,655,000 tons valued at 198,000,000 ticals. In 1929 the volume had fallen to 1,300,000 tons, but the value was still 143,000,000 ticals. In 1935 export volume was 10 per cent above 1926-27 and almost 30 per cent above 1929, but values were less than half what they were in 1926-27 and about 36 per cent lower than in 1929.

Restrictions have been imposed upon the sale of Siamese rice in the countries which were formerly her best customers, viz., Netherlands India, China, Japan, and British India. These countries are all endeavouring to foster their domestic production of rice, and with no limitation on the output by international agreement, prices have fallen drastically. In the year 1934-35 the price of rice struck the lowest yearly average ever recorded. However, in April, 1935, the price began to rise, and with the outbreak of hostilities in Abyssinia the price at the end of the year offered some encouragement to producers.

Despite the discouraging return from rice exports, this product still represents 60 per cent of the country's total export values. The future of the industry is therefore of concern to the whole country, and Siamese authorities appear to be agreed that the hope of the industry rests in the maintenance of the country's reputation for high-quality rice rather than in competition on a price basis with other producers. Steps are therefore being taken to maintain and improve the grading facilities.

One difficulty is the fact that the major portion of the rice exports are handled by Chinese firms who ship to their connections at Singapore and Hongkong, where the rice is mixed with that of other countries and its identity lost. The Siamese Agricultural Department are therefore contemplating the erection of government storage silos, and at the same time the Government is considering improvements in the harbour facilities of the port of Bangkok with the idea of rendering direct shipments to consuming countries more possible than at present.

TIN

Although Siam is not a signatory to the International Tin Restriction Scheme, she has definitely benefited from it. New ore deposits have been opened for exploitation, and as a result the exportable allowance of 9,800 tons, accepted by the Siamese Government as her annual quota, has now proven to be insuffi-

cient. The Siamese industry have given as their condition for joining the restriction scheme, if it is renewed after December, 1936, a production quota of 25,000 tons. While it is believed that this is too high a figure, it is agreed that the country's potential production has increased to about 19,000 tons, and that at present only 55 per cent of that figure is being exported, while signatory countries, during the latter part of 1935 and the first quarter of 1936, have been allowed to export 90 per cent. Thus, it can be expected that Siam will be given a more liberal quota on subscription to the restriction scheme.

The table of exports already given shows that, while the total value of Siam's tin ore exports was reduced slightly as compared with 1934, it is still almost twice the 1929 figure and represents about 15 per cent of the total exports.

RUBBER

Siam did not join the International Rubber Restriction Scheme, but, as in the case of tin, she is enjoying considerable benefit from it. It will be noted in the preceding table that the export value of rubber increased by more than 250 per cent in 1934 over 1933, and that in 1935 an increase of 70 per cent is recorded over the previous year. The value of the rubber exports is now about 8 per cent of the export totals.

OTHER EXPORTS

Once Siam's second largest export commodity, teak exports now represent only about 2·5 per cent of the total. The value in 1935 was only about one-third of what it was in 1929. The demand in world markets continued poor in 1935 and prices were unsatisfactory.

Sticklac, salt fish, sawn wood other than teak, and cattle are the principal exports under the heading of "other goods." The total exports of these fell in the year under review.

IMPORTS

The total value of imports increased by 12 per cent to 107,601,000 ticals (Can.\$48,420,000) as compared with 95,581,000 ticals (Can.\$43,011,000). Japan is the main source of supply with over 20 per cent of the import total. The transshipment ports, Singapore and Hongkong, are next in importance with 13 and 11·7 per cent respectively, followed by Netherlands India with 11 per cent and the United Kingdom with 10·7 per cent. Canada's share of the import trade is negligible, according to both local and Dominion Bureau of Statistics returns. The Siamese returns show imports from Canada in the year ending March 31, 1935, totalling less than \$2,000, and Dominion Bureau of Statistics figures for the same period showed exports from Canada to Siam totalling \$6,853. In either case, it cannot be expected that the figure would show a true picture since there are no direct shipping lines from Canadian ports to Siam and all Canadian exports must be transhipped, usually at Hongkong or Singapore. These remarks apply in the case of the exports from Siam to Canada.

PRINCIPAL IMPORTS AND SOURCES OF SUPPLY

There follows a selected list of the imports into Siam, with quantities and values, during the years 1935, 1934, and 1933 respectively. Values in ticals are shown in parentheses:—

Biscuits.—1935, 84,303 kg. (113,574); 1934, 72,112 kg. (100,016); 1933, 100,141 kg. (125,178). There was an increase in value during the year under review over 1934, although the volume of imports under this heading is still below the 1933 and 1932 figures.

Canned Sardines.—1935, 2,110,815 kg. (408,159); 1934, 904,393 kg. (184,025); 1933, 1,026,820 kg. (224,478). The quantity and values under this heading are two and a half times the 1934 returns and about double the 1933 figures. The main source of supply is Japan.

Canned Salmon.—1935, 1,549 kg. (1,242); 1934, 2,719 kg. (1,980); 1933, 1,768 kg. (1,664). Import quantities and values under this heading declined by 40 per cent as compared with 1934. Reference to "canned sardines" will indicate that the demand is for lower-priced canned fish.

Canned Fish, Other Sorts.—1935, 76,536 kg. (39,562); 1934, 70,546 kg. (37,704); 1933, 66,105 kg. (34,280). The continued increase in demand during the year under review was largely for cheap packs supplied mainly by Japan.

Wheat Flour.—1935, 10,237,537 kg. (839,561); 1934, 9,879,800 kg. (702,593); 1933, 8,529,726 kg. (619,385). Australia is the source of supply for practically all the flour imports, and it will be noted that there was a further increase in 1935.

Canned Milk.—(a) *Condensed Sweetened.*—1935, 6,038,548 kg. (1,724,666); 1934, 5,595,445 kg. (1,693,388); 1933, 4,503,525 kg. (1,681,919).

(b) *Evaporated Unsweetened.*—1935, 1,332,108 kg. (393,611); 1934, 980,346 kg. (320,350); 1933, 1,114,188 kg. (490,313).

(c) *Powdered Whole.*—1935, 50,045 kg. (99,311).

(d) *Sterilized Natural.*—1935, 64,596 kg. (36,444); 1934, 53,525 kg. (35,471); 1933, 74,123 kg. (45,397).

(e) *Other.*—1935, 54,921 kg. (120,143); 1934, 41,514 kg. (90,192); 1933, 40,938 kg. (75,225). The most important class of canned milk imports is "condensed sweetened." Powdered whole milk appears for the first time as a separate heading in statistics in the year under review. Total imports of canned milk of all kinds were 7,540,210 kilograms valued at 2,384,175 ticals as compared with 6,670,830 kilograms at 2,139,801 ticals in 1934 and 5,732,673 kilograms at 2,211,754 ticals in 1933.

Motor Cars.—1935, 557 units (888,222); 1934, 467 units (718,301); 1933, 282 units (362,086). There was a large increase in the imports under this heading in the year under review, and although statistics are not available, it is known that the sale of Canadian cars in Siam, from the distributor in Singapore, increased.

Motor Car Tires.—1935, 13,430 units (402,520); 1934, 16,464 units (481,130); 1933, 14,783 units (458,727).

Hosiery of Silk.—1935, 7,908 ticals; 1934, 11,214 ticals; 1933, 9,462 ticals.

Hosiery of Cotton.—1935, 325,611 ticals; 1934, 168,794 ticals; 1933, 261,020 ticals.

Machinery Belling.—1935, 87,596 kg. (144,535); 1934, 67,785 kg. (113,224); 1933, 69,486 kg. (157,659).

Paper of All Kinds (Unprinted).—1935, 5,810,195 kg. (969,155); 1934, 6,634,936 kg. (1,110,093); 1933, 4,570,443 kg. (855,857). It has been reported previously that a company has been organized in Siam for the manufacture of cheap-grade papers, the raw material used to be bamboo. This company, known as the Siam Paper Co., Ltd., was floated in April, 1934, with a capital of 1,000,000 ticals in 10,000 shares of 100 ticals each. The Government took 5,100 shares in order to have a controlling interest. When the contract for machinery and plant was awarded during 1935 to a German manufacturer, it was found that the amount of the contract was more than the capital subscribed, and that at least a further 500,000 ticals would be required. The Government has therefore taken over all the shares at their issued price and will control the company until production is started, after which it will be refloated as a public concern. This has caused a delay and production will not likely commence for at least another year.

JAPANESE IMPORTS AND PRODUCTION OF ROLLED STEEL

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, April 1, 1936.—According to a recent report of the Ministry of Commerce and Industry, the domestic output of rolled steel reached 3,589,000 metric tons in 1935, representing an increase of 16 per cent or 504,000 tons when compared with 1934. Of this amount, 432,462 tons were exported. Imports decreased to 315,875 tons. Of the various types of rolled steel produced, an increase took place in the manufacture of tinplate, structural steel (under which item is included such products as hoop iron), steel tubes, and sheet steel produced from material 0.7 mm. or thinner.

Details of production are given in the following table:—

Output of Rolled Steel in Japan, 1933 to 1935

	1933	1934	1935
	Figures in 1,000 Metric Tons		
Total of rolled steel	2,615	3,085	3,589
Sheet steel, 0.7 mm. or thinner	271	294	359
Other sheet	475	626	720
Tinplate	36	62	95
Bar	774	759	917
Structural steel	331	447	482
Rails	272	371	367
Wire	285	348	408
Steel pipes and tubes	117	137	186
Other rolled steel	53	41	55
Steel forgings	64	69	63
Steel castings	63	83	99

The increase in output may be attributed to two main factors, the unusually heavy domestic demand for steel tubes and sheets and the fact that local consumers have given preference to domestic galvanized iron sheets and hoop iron, instead of using competing imported commodities. Over-production seems possible in some lines, especially in the output of steel pipes and tubes, which will necessitate the Japan Steel Tubing Company suspending operations in part of its butt-and-lap welding plants during the present year. Despite this increased production, Japan has been importing foreign steel products to a considerable extent, as the following figures compiled from the foreign trade returns of the Ministry of Finance will indicate:—

Imports of Rolled Steel into Japan, 1933 to 1935

	1933	1934	1935
	Figures in Metric Tons		
Round, square and flat bars	41,614	35,168	29,577
Structural shapes	38,836	28,731	28,027
Rails	3,994	6,979	19,286
Wire rods	38,792	32,416	44,551
Sheet and plate	169,366	158,139	104,319
Wire	1,457	1,905	1,395
Ribbons	4,324	7,538	5,987
Bands and hoops	83,707	76,600	54,416
Wire rope and twisted wire	190	194	246
Pipes and tubes	9,349	14,788	17,029
Special steel	7,053	7,078	10,079
Nails	900	896	963
Total	399,582	370,432	315,875

From the above figures it will be seen that imports of sheet and plate were heavy, amounting to 104,319 tons, and that purchases of bands and hoops totalled 54,416 tons, representing 30 per cent and 17 per cent respectively of the total imports during the year.

Although foreign purchases cannot be totally dispensed with owing to conditions prevailing in Japan, it is likely that they will gradually decrease as a result of the various plant extensions which are being carried out by the Japan Iron Manufacturing Company, the Kawasaki Shipbuilding Company, and various other steel-rolling concerns. In black sheet production there are some 80 rolling mills with a combined capacity of 40,000 tons a month, of which 58 are in operation at the present time. The other 22 plants have a total capacity of 11,000 tons per month and are scheduled to go into production during the present year.

Exports of steel products have shown a steady increase during the last three years. In 1933 the tonnage was practically double that of 1932, in 1934 it increased by 48 per cent, and in 1935 by 20 per cent. The following tables show the tonnage of the various kinds of steel exported:—

Exports of Rolled Steel from Japan, 1933 to 1935

	1933	1934	1935
	Figures in Metric Tons		
Bars and rods	45,130	108,234	108,031
Sheets and plates	18,166	32,372	84,232
Rails . . . . .	.....	95,401	100,200
Wire	22,713	32,899	47,718
Wire rope	1,527	2,377	3,116
Pipes and tubes	29,465	49,212	43,825
Nails	25,046	36,788	36,170
Other steel	104,469	7,647	15,425
Total	246,516	364,931	438,717
Ingots and slabs	709	4,643	14,066
Waste and old steel	8,339	17,515	15,986

The following table indicates the destinations of the above exports:—

	1933	1934	1935
	Figures in Metric Tons		
Kwantung Province	176,498	257,316	256,948
China	23,726	41,342	60,163
Dutch East Indies	9,052	9,672	21,480
Manchukuo	4,525	13,961	18,615
Siam	3,283	6,458	16,961
British India	5,512	7,232	16,264
Soviet	1,228	1,202	9,581
Straits Settlements	3,107	3,556	6,320
Hongkong	470	1,756	4,677
Others	3,119	7,806	21,453

TARIFF CHANGES AND CUSTOMS REGULATIONS**United Kingdom Tariff Changes**

Under the Additional Import Duties (No. 8) Order, 1936, of the United Kingdom, effective April 17, a minimum duty of 8s. per gross is imposed on hair combs, whether finished or not, but not including blanks in sheet form, the existing duty of 20 per cent ad valorem, however, remaining in operation where it would yield a greater amount of duty.

When Canadian products within the meaning of the Imperial preference regulations and consigned direct from Canada to the United Kingdom the foregoing goods are guaranteed duty-free entry by the Canada-United Kingdom Trade Agreement of 1932.

United Kingdom Key Industry Duties

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, writes under date April 20, 1936, that the committee which was set up by the British Government to consider the future of the so-called Key Industry duties has just issued its report. These import duties, which are due to expire on August 19, were imposed to protect and encourage the production in the United Kingdom of certain commodities which are deemed to be essential for the safety of the Empire in times of emergency. The duties, which in the majority of cases amount to 33 $\frac{1}{3}$ per cent ad valorem, apply in the main to a wide range of fine chemicals, scientific apparatus, optical instruments, etc.

The committee recommend that the Key Industry duties should be renewed in their present form for a further period of ten years at not less than the existing rates. The committee further recommend that the Key Industry duty of 33 $\frac{1}{3}$ per cent shall be extended to the following articles: granular activated carbons of non-animal origin, parts of wireless valves and similar rectifiers and vacuum tubes, ferro-titanium commercially carbon-free. carbon-free manganese

metal and chromium metal. They also propose that all parts of arc-lamp carbons should be dutiable at the same rate as arc-lamp carbons of diameters of 14 mm. and less. The present rate of duty applicable to arc-lamp carbons measuring less than 14 mm. in diameter is 7s. 6d. per pound. Key Industry duties are chargeable only on articles of foreign manufacture. The products of the Dominions which comply with the Empire content regulations are exempted.

[According to the British *Board of Trade Journal*, the British Budget, introduced April 22, implements the foregoing recommendations by continuing Key Industry duties for ten years as from August 19, 1936. and extending them to the articles above mentioned as from April 22.]

United Kingdom Certificate of Origin for Diatomaceous Earth

According to advice from the London Custom House, the appropriate form of certificate of origin required in support of claims to Imperial preference on processed diatomaceous earth (commonly known in Canada as infusorial earth) imported into the United Kingdom from Canada is that for manufactured goods, namely No. 120 (Sale), the qualifying Empire content being 25 per cent of the factory cost, to be computed according to official regulations.

Marking of Vanity Cases for United Kingdom

Referring to the notice published in *Commercial Intelligence Journal* No. 1632 (May 11, 1935), the Canadian Trade Commissioner in London writes that in pursuance of the recommendations of the Merchandise Marks Committee, the Board of Trade have announced that a draft Order in Council has been laid before Parliament requiring vanity cases, lipstick holders, and similar cosmetic receptacles, made wholly or mainly of metal, imported into the United Kingdom, to bear an indication of origin at the time of sale or exposure for sale.

Removal of Extra Belgian Tax on Canadian Goods

The Minister of Finance announced in the House of Commons on May 1 that in consequence of representations having been made by the Belgian Government against specific duties imposed by Canada in 1935 on dressed and dyed rabbit skins (72 cents per dozen), the Government had decided to remove these duties and to revert to the former ad valorem rate of 15 per cent. In consideration of this, the Belgian Government, he stated, had agreed to remove a special turnover tax on Canadian goods entering Belgium, and also to classify as cheddar cheese the class of cheese exported from Canada to Belgium, resulting in a reduction of duty.

The Consul General of Belgium at Montreal has advised that a Royal Decree is required to abolish the extra turnover tax on Canadian products and that the abolition will be applied as from June 1.

The Belgian turnover tax to be removed represents an increase in the ordinary Belgian turnover (or transmission tax) which, without the extra levy, ranges from 2½ per cent or 5 per cent, and in the case of some luxury goods 7 per cent or 9 per cent. The extra levy on Canadian goods, first imposed on August 1, 1932, was 2·2 per cent on semi-manufactured goods, such as wood-pulp, copper bars, copper rods, aluminum bars, etc., lumber, fish meal, unmanufactured leather, jute bags, fine nickel, cotton fabrics; and 4·4 per cent on further manufactured goods, including canned fish, rubber tires, automobiles, films, whisky, rubber boots and shoes, dried fish, cheese, wallboard, agricultural implements, rolled oats, leather gloves. Since January 16, 1933, the extra levy to be now cancelled has been 2·5 per cent on semi-manufactured goods and 5 per cent on manufactured goods.

The effect of classifying Canadian cheese as cheddar cheese is to reduce the duty from 82·8 francs per 100 kilos to 72 francs per 100 kilos (\$1.11 per 100 pounds).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 2

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending May 2, 1936, with the official bank rate. Quotations for the week ending April 27, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 27	Nominal Quotations in Montreal Week ending May 2	Official Bank Rate
Austria	Schilling	.1407	\$.1877	\$.1872	3½
Belgium	Belga	.1001	.1697	.1696	2
Bulgaria	Lev	.0072	.0131	.0130	6
Czechoslovakia	Krone	.0296	.0414	.0414	3
Denmark	Krone	.2680	.2212	.2215	3½
Finland	Markka	.0252	.0219	.0220	4
France	Franc	.0392	.0661	.0658	5
Germany	Reichsmark	.2382	.4035	.4025	4
Great Britain	Pound	4.8666	4.9525	4.9625	2
Greece	Drachma	.0130	.0094	.0093	7
Holland	Guilder	.4020	.6805	.6780	2½
Hungary	Pengo	.1749	.2960	.2946	4
Italy	Lira	.0526	.0790	.0790	5
Jugo-Slavia	Dinar	.0176	.0230	.0230	5
Norway	Krone	.2680	.2490	.2494	3½
Portugal	Escudo	.0442	.0451	.0450	5
Roumania	Leu	.0060	.0075	.0075	4½
Spain	Peseta	.1930	.1369	.1365	5
Sweden	Krona	.2680	.2554	.2559	2½
Switzerland	Franc	.1930	.3269	.3254	2½
United States	Dollar	1.0000	1.0034	1.0006	1½
Poland	Zloty	.1122	.1886	.1881	5
Argentina	Peso (Paper)	.4245	.3302	.3306	—
Brazil	Milreis (Paper)	.1196	.0858	.0858	—
Chile	Peso	.1217	.0512	.0506	4½
Colombia	Peso	.9733	.5718	.5702	4
Mexico	Peso	.4985	.2787	.2778	4-5
Peru	Sol	.2800	.2496	.2489	6
Venezuela	Bolivar	.1930	.2559	.2552	—
Uruguay	Peso	1.0342	.8003	.8000	—
China (Shanghai)	Dollar	.....	.2979	.2970	—
Cuba	Peso	1.0000	1.0024	.9996	—
Hongkong	Dollar	.....	.3258	.3260	—
India	Rupee	.3650	.3740	.3747	3
Japan	Yen	.4985	.2896	.2902	3.29
Java	Guilder	.4020	.6838	.6813	4
Siam	Baht (Tical)	.4424	.4544	.4530	—
Straits Settlements	Dollar	.5678	.5804	.5813	—
South Africa	Pound	4.8666	4.9483	4.9562	—
British Guiana	Dollar	1.0138	1.0322	1.0337	—
Jamaica	Pound	4.8666	4.9625	4.9725	—
Other British West Indies	Dollar	1.0138	1.0322	1.0337	—
Martinique	Franc	.0392	.0661	.0658	—
Guadeloupe	Franc	.0392	.0661	.0658	—
Australia	Pound	4.8666	3.9637	3.9700	—
Egypt	Pound (100 Piastres)	4.9431	5.0875	5.0925	—
New Zealand	Pound	4.8666	3.9950	4.0025	—
Argentina		Free	.2749	.2742	—
Brazil		Free	.0562	.0560	—
Chile		Free	.0411	.0406	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

During the week ended May 2, the Canadian dollar continued to recover from weakness which developed in March. The premium on New York funds at Montreal dropped from 0.46 per cent to 0.19 per cent, while sterling and French franc rates also declined. The position of the franc remained unsteady, and considerable gold shipments to New York were made from Paris. Poland abandoned the free gold standard on April 27, but the zloty has since been maintained close to its gold parity.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Foodstuff Specialties, High-class Groceries and Canned Goods.	287	Amsterdam, Holland.....	Agency.
Salad Oil.....	288	Singapore, Straits Settlements.	Purchase and Agency.
Lard.....	289	Ciudad Trujillo, Dominican Republic.	Agency.
Miscellaneous—			
3-Ply Veneer Cases.....	290	Singapore, Straits Settlements.	Purchase and Agency.
Tool Handles (Wooden); Wooden Lavatory Seats.	291	London, England.....	Purchase and Agency.
Electric Washing Machines (for Household Use).	292	Tilburg, Holland.....	Purchase.
Cement.....	293	Santiago de los Caballeros, Dominican Republic.	Agency.
Chinaware, Crystalware, and Porcelainware.	294	Lima, Peru.....	Purchase.
Lamps (Oil and Electric).....	295	Lima, Peru.....	Purchase.
Plumbing Supplies.....	296	Lima, Peru.....	Purchase.
Piping and Tubing (Lead and Iron).	297	Lima, Peru.....	Purchase.

STEAMSHIP SERVICE FROM MONTREAL TO AUSTRALIA AND NEW ZEALAND

The Montreal Australia New Zealand Line, Limited, announce that the service from Montreal to Australia and New Zealand heretofore operated by the Canadian National Steamships (Canadian Government Merchant Marine, Limited) will be operated as from May 4 by their company, and that, beginning with the s.s. *Canadian Planter*, sailing May 22, regular services will be maintained from Montreal to Australian and New Zealand ports and return to Canada.

Full information respecting this service will be supplied on application to the General Manager, 211 Coristine Building, 410 St. Nicholas Street, Montreal.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Richmond, May 15; Duchess of Bedford, May 22—both Canadian Pacific; Antonia, Cunard-White Star Line, May 22.

To London.—Beaverdale, May 15; Beaverburn, May 22—both Canadian Pacific; Alaunia, May 15; Ascania, May 22—both Cunard-White Star Line.

To Manchester.—Manchester Port, May 14; Manchester Producer, May 21—both Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, Cunard-Donaldson and Dominion Lines, May 25.

To Southampton.—Montrose, May 15; Montclare, May 23—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Boston City, Bristol City Line, May 16.

To Glasgow.—Letitia, May 15; Airthria, May 22—both Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk (calls at Dundee), Cairn-Thomson Line, May 14.

To Dublin and Belfast.—A steamer (cargo accepted for Londonderry and Cork), Head Line, May.

To Aberdeen and Hull.—Kyno, Ellerman's Wilson Line, May 23.

To Antwerp.—Beaverdale, Canadian Pacific, May 15; Brant County (calls at Dunkirk), County Line, May 23.

To Rotterdam and Havre.—Grey County, May 15; Hada County (does not call at Rotterdam), June 2—both County Line.

To Hamburg.—Hagen (calls at Bremen), Hamburg-American Line, May 15; Beaverburn, Canadian Pacific, May 22.

To Copenhagen, Gothenburg and Baltic Ports.—Korsholm, Swedish-America-Mexico Line, May 25.

To Lisbon, Casablanca, Valencia, Barcelona, Marseilles, Genoa and Leghorn.—Nordhavet, Gardiaz Line, May 15.

To Marseilles and Genoa.—Sonja, Canada-Mediterraneo Line, May 16.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Olmo, June 2; Capo Lena, June 30—both Capo Line.

To St. John's, Nfld., and St. Pierre-Miquelon.—A steamer, Newfoundland-Canada SS. Co., June.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., May 18.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, May 14.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, Canadian National, May 13.

To Kingston (Jamaica).—Cavalier, Canadian National, May 22.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—City of Delhi, Montreal Australia New Zealand Line, May 30.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—Canadian Planter, Montreal Australia New Zealand Line, May 22.

To Yokohama, Kobe and Osaka.—Kano Maru, Kokusai Line, May 17.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Titan, Elder Dempster Lines Ltd., May 27.

To Santos and Buenos Aires.—A steamer, International Freighting Corp., May.

From Quebec

To Southampton.—A steamer, Canadian Pacific, May.

From Saint John

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Canadian National, May 13.

To Kingston and Jamaican Outports.—Crawford Ellis, May 15; Harboe Jensen, May 22—both United Fruit Line.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras and Calcutta.—A steamer, American and Indian Line, May.

From Halifax

To Liverpool.—Incemore, May 13; Newfoundland, May 26; Nova Scotia, June 13—all Furness Line.

To Aberdeen, Newcastle and Hull.—A steamer, Ellerman's Wilson Line, May.

To Copenhagen, Gothenburg and Baltic Ports.—Pilsudski (calls at Gdynia but not at Gothenburg), Gdynia-America Line, May 19; Gripsholm (does not call at Copenhagen), Swedish-American Line, May 31.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Anherst, Furness-Red Cross Line, May 11; Incemore (does not call at St. Pierre), Furness Line, May 13; Magnhild, G. T. Shaw, May 18.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Canadian National, May 21.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, May.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B., Pickford & Black Ltd., May 20.

To Puerto Rico, Barbados, Trinidad and Demerara.—Colborne (calls at Guadeloupe and Martinique if sufficient cargo offered), Canadian National, May 18.

To Kingston, Jamaica.—Cathcart, May 11; Cavalier, May 25—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Javanese Prince, May 23; Tyndareus, June 6; Siamese Prince, June 20—all Silver-Prince Line.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, May.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, May 23; Hikawa Maru, June 13; Hiye Maru, June 27—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls Nagasaki), May 16; Empress of Japan (calls Honolulu), May 30; Empress of Asia (calls Nagasaki), June 10; Empress of Canada (calls Honolulu), June 27—all Canadian Pacific; Talthybius, May 31; Tyndareus, June 28—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Tosari, Silver-Java Line, May 30.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, May 20; Niagara, June 17—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden State, May 15; Golden Coast, June 15—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, May 20; Waiotapu, June 6—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—Innaren, Empire Shipping Co., May 15.

To Sydney, Melbourne and Adelaide.—Hopetor, May; Loch Lomond, May; King Malcolm, May—all Australian Freight Line.

To London and Liverpool.—A steamer (calls at Cardiff), Reardon Smith Line, May.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, East Asiatic Co., May 28.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—Washington, Empire Shipping Co., May 11.

To Scandinavian Ports.—Balboa, May 12; Margaret Johnson, June 3; Buenos Aires, Aug. 6—all Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Rialto, Empire Shipping Co., May 18.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—A steamer, Canadian Transport Co., May.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverpalm, Silver-Java Pacific Line, June 5.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Evanger, May 30; Hoyanger, June 22—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Bradburn (calls at Cardiff), Reardon Smith Line Ltd., May 11; Modavia (calls at Glasgow), Balfour Guthrie & Co., May 11; Abraham Lincoln (calls at Hull and Oslo), Anglo-Canadian Shipping Co., May 13; Knoxville City (calls at Avonmouth), B. W. Greer & Son Ltd., May 15; Lochkatrine (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., May 15; Europa (calls at Rotterdam, Hull, Gothenburg and Copenhagen but not at Liverpool), B. L. Johnson Walton Co., May 23.

To United Kingdom Ports.—Nordval, May 20; Everleigh, May 20—both Anglo-Canadian Shipping Co.; Borjestad, Canadian Transport Co., May 20.

To Yokohama, Kobe and Osaka.—Heian Maru, B. W. Greer & Son Ltd., May 11; Talthybius (calls at Shanghai, Hongkong and Miike but not at Osaka), Dodwell & Co. Ltd., May 18.

To Australian Ports.—Hauraki, Canadian-Australasian Line, May 15.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

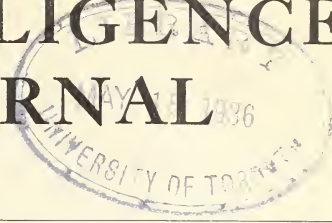
United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, May 16, 1936

No. 1685



This is the type of wagon universally used in Argentina for transporting wheat and other grain in bags. They are owned by individuals or groups who specialize in this work. The wagon carries up to 15 tons and the usual complement is 16 horses. (*See page 897*)

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, May 16, 1936

No. 1685

GRAIN FARMING IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

I

(The value of the peso at par is equal to 42.44 cents Canadian and at current official selling rates to 29.3 cents)

Buenos Aires, March 2, 1936.—Argentina is essentially an agricultural and pastoral country. Products of the various agricultural industries have accounted for an average of 95 per cent of all exports from Argentina during the past ten-year period as against a corresponding figure of 52 per cent for Canada. Industrial, forest (except quebracho extract), and mineral products have not been a factor in the export trade of Argentina in the past nor are they likely to be important in the future, due to the absence here of the raw materials on which such industries would be based.

The aggregate value of exports from Argentina was the equivalent of 1,006 million dollars Canadian in 1928. In 1934 this figure had declined to 475 million, and there was a decline of 16 per cent in volume. While agricultural products account for 95 per cent of the value of Argentine exports, grain alone accounted for 55.6 per cent of the total as compared with 36.6 per cent for animal products.

The tendency has been for animal products, for the most part chilled meats for which the United Kingdom is practically the sole outlet, frozen and canned meats, hides, and wool, to decline relatively during the years in question from a maximum of 44.6 per cent of all exports in 1925 to a low of 30.5 per cent in 1932 and 33 per cent in 1935. On the other hand, grain exports increased relatively from a low of 47.9 per cent in 1925 to a maximum of 62.4 per cent in 1932 and 57.4 per cent for last year. The increasing importance of grain-growing in the national economy of Argentina is apparent.

GRAIN-GROWING FOR EXPORT

Cereal crops are raised in Argentina almost exclusively for export in the form of grain. Of the three principal grain crops produced, 62 per cent of the wheat, 81 per cent of the corn, and 89 per cent of the flaxseed was exported during the past ten years. Despite the demand locally for malting barley, 61 per cent of the production is exported. Some malt, however, is still imported from Europe.

CLIMATE AND PASTURAGE

The temperate climate and ordinarily excellent pasturage available throughout the year makes it unnecessary for farmers to stall-feed cattle. The cattle are not fed, and only in very exceptional cases finished on grain, but are taken direct from pasture for slaughter. There are approximately 14,000,000 acres in alfalfa. Cattle-raising and grain-growing, except to some small extent corn and oats, must be considered separately as few farmers combine them.

The exception is cited in the case of oats, although this crop only accounts for 2 per cent of the acreage in all cereals. Oats are sown from March to May. Oats are frequently pastured, and to some extent barley and rye during May and June, according to whether moisture conditions make it necessary, and left to be harvested in due course.

This fact accounts largely for the wide discrepancy between the acreage shown as seeded to oats and the acreage harvested. Further, this year corn is being used to some extent for the first time in any quantity to finish cattle. This departure is attributed to the severe drought conditions which prevailed last summer and the fact that there was a large surplus of corn available at low prices.

The Argentine farmer has fertile land at his disposal. Mixed farming as practised in Canada is not practicable since grain is not essential for either beef or dairy cattle. He can only turn from grain to cattle, and the export markets for beef have been contracting.

GRAIN-GROWING AREAS

The total area of Argentina is over 1,000,000 square miles, but 87 per cent of the grain produced comes from three provinces which together have an area less than that of the province of Saskatchewan. These three provinces also have 56 per cent of all the live stock except sheep in Argentina. The province of Buenos Aires alone produces 42 per cent of the grain, 32 per cent of the live stock including sheep, and has 56 per cent of the population of the entire country. The population of Argentina is slightly more than 12,000,000. Consequently, while Argentina itself comprises a very large area, production of grain is confined to a comparatively small and compact area, a flat plain which in the north comprises the rich alluvial basin of the River Plate. Ocean vessels serve the main grain ports on the river as Buenos Aires city, Rosario, and Santa Fé. The southern section of the grain area is largely in wheat, with some linseed. It borders on the South Atlantic and has its own ocean ports. The average distance from country rail points to the ports for all grain is given at 160 miles. The average haul would be considerably less.

DISTRIBUTION OF GRAIN PRODUCTION

The distribution of grain production as between the various provinces is indicated in the following table:—

Production of Grain by Provinces

Provinces	Wheat	Linseed	Oats	Barley	Rye	Corn	Total
	Percentages of Aggregate Production						
Buenos Aires.	44	25	86	81	33	36	42
Santa Fé	12	34	2	1	1	34	23
Cordoba.	29	14	3	2	1	20	22
All others	15	27	7	16	65	10	13

The main grain-growing area extends over the border of the territory of La Pampa to the west, and the latter accounts for an average of 41 per cent of the small aggregate production of rye and 10 per cent of the barley, but only 8 per cent of the wheat. Some twenty years ago La Pampa accounted for approximately 18 per cent of the wheat production, but much of the land has since been abandoned. The province of Entre Rios is similarly situated, and it accounts for 25 per cent of the linseed but only 6 per cent of the wheat. The principal crops—wheat, corn, barley, and oats—are therefore produced in a concentrated and relatively small area as compared with the total area of Argentina.



DISTRIBUTION OF WHEAT ACREAGE IN ARGENTINA

Each dot represents 5,540 acres sown to wheat in 1933-34. The area in wheat that year was 19.6 million acres as compared with a 10-year average of 19.7 million acres. The 30 million acres in corn, flax, oats and barley is also within the limits of the area as shown in wheat. The three provinces of Buenos Aires, Santa Fé and Córdoba have together 18.6 million cattle, 14.1 million sheep, 2.8 million hogs and 6 million horses.

CONDITIONS OF PRODUCTION

OWNERSHIP

From the point of view of ownership, the land in the grain-growing area of the Argentine as elsewhere here is controlled by a comparatively few individuals. In the past the landlord generally lived abroad. There was usually a mortgage of moderate proportions on his land. With the fall in land values in recent years, his equity in the land has been reduced and in many cases now is only nominal or has disappeared entirely. The land is still controlled, however, by the landlord or his bank in large units as in the past.

In the province of Cordoba alone there are over fifty separate estates comprising land in grain of more than 30,000 acres each. The proportion of cultivated land in large estates is even greater in Buenos Aires province, which produces nearly one-half of the grain from Argentina. It follows that the greater part of the grain is produced by tenant farmers. In fact, 65 per cent of all the grain farms in Argentina are now held on a rental basis and the proportion of the acreage cultivated by tenants is estimated at 85 per cent.

FARM LAND TENURE

The Department of Agriculture publishes each year a classification of grain farms, except those in corn, according to tenure. The latest figures available are shown as follows:—

	1912-13 No.	1926-27 No.	1929-30 No.	1931-32 No.	1932-33 No.
Farms owned	27,831	51,476	60,535	48,790	49,185
Farms rented (cash)	47,006	33,765	38,314	30,474	27,808
Farms rented (shares) . . . . .	.....	44,920	48,428	49,487	54,391
Farms, other	10,474	5,494	5,977	4,696	4,416
Total in grain	85,311	135,655	153,254	133,447	135,800

The number of grain farms owned showed some tendency to increase up to 1929, but since then many, particularly of the small owners, have lost their equity in the land. The increase in the number of farms rented on a share basis is the result of lower grain prices in recent years.

Apart from the large landowners, the bulk of the farms shown as owned are in the hands of small holders, mostly Italians, in the northern section of the producing area. In addition there are in several districts tracts of land which are held by colonies of foreigners. These two latter groups, while of importance numerically, represent a relatively small proportion of the aggregate land in grain, and it may be taken that tenant farmers account for the bulk of the aggregate grain production of Argentina.

ATTEMPTS TO BREAK UP LARGE ESTATES

Attempts on the part of the Government to break up the large estates have had little effect. Legislation providing that land must be distributed among the heirs of an owner in due course has been contravened by incorporating the estate as a limited liability company. The fall in land values in recent years and the consequent foreclosures of mortgages has affected certain estates. The province of Santa Fé recently provided funds for the purchase of large farms and for resale of the land on favourable terms to small farmers. However, there seems to be no indication of any radical or rapid change in land tenure here.

The usual practice is for the large landowner to break up his property into small farms, retaining in some cases the central part of the estate to be operated by himself or his manager. In the northern section of the grain-growing area

the size of the farm rented is in some cases limited by the landlords to 100 acres in order that a family can operate the farm alone. In one specific instance an owner with 27,000 acres has 300 tenants on his property. The average size, however, in this section is around 350 acres. In the south the farms are leased in larger units, the greater number being around 500 acres.

CLASSIFICATION OF GRAIN FARMS BY SIZE

The Department of Agriculture have taken the farms as previously classified by tenure and arranged them in groups according to the size of farm operated by each farmer:—

	1926-27 No.	1929-30 No.	1932-33 No.
Under 25 acres	8,661	10,541	9,116
From 25 acres to 60 acres	26,728	31,279	26,689
From 60 acres to 125 acres	26,584	28,662	25,922
From 125 acres to 250 acres	28,828	32,047	27,524
From 250 acres to 450 acres	30,791	35,325	32,389
From 450 acres to 740 acres	9,857	9,857	10,443
From 740 acres to 1,585 acres	3,672	4,702	4,944
From 1,585 acres to 2,500 acres	367	541	493
Total farms under 2,500 acres	135,488	152,954	135,520
Total farms over 2,500 acres	167	300	280
	135,655	153,254	135,800

The farms as classified up to 60 acres may be set aside here since they are small holdings near the cities, growing a little grain but mostly vegetables. It will be seen that the most important group is between 250 and 450 acres. Further, the number of farms of over 450 acres have increased in each group, particularly those of over 2,500 acres.

Another classification has been made of these grain farms according to provinces, which shows the following results:—

Argentine Grain Farms by Size by Principal Provinces

	Buenos Aires	Santa Fé Number of Farms	Cordoba	La Pampa
Less than 25 acres	4,823	2,771	243	67
25 to 60 acres	13,602	8,718	1,258	273
60 to 125 acres	9,991	7,818	2,122	520
125 to 250 acres	9,169	8,218	4,159	1,418
250 to 450 acres	9,273	5,921	11,199	2,281
450 to 740 acres	4,313	1,059	3,169	902
740 to 1,585 acres	3,276	150	675	445
1,585 to 2,500 acres	426	10	19	27
Sub-total	54,873	34,665	22,844	5,933
Over 2,500	247	5	6	17
Total	55,120	34,670	22,850	5,950

The three provinces shown, except La Pampa, produce 85 per cent of all the Argentine grain, i.e. Buenos Aires 42, Santa Fé 23, and Cordoba 22 per cent. The province of Buenos Aires accounts for 44 per cent of the wheat, and it has the greatest number of very large-scale farmers. In the provinces of Cordoba and Santa Fé, which produce 41 per cent of the wheat, 95 per cent of the farmers operate farms of 450 acres or less, and there are only eleven farmers who work units of more than 2,500 acres. On the other hand, La Pampa, although it produces only 6 per cent of the wheat, has a high percentage of large unit farmers.

The Department of Agriculture shows the average size of wheat farms for all producing zones as 378 acres, with the average in the south at 500 acres; flax farms, 348 acres; and corn farms, 328 acres. However, on the basis of the official classification of farms, 84 per cent of the farmers are on farms of between:

60 and 450 acres, but this group is estimated to hold only 57 per cent of the average of 33,000,000 acres sown to grain, except corn, in Argentina annually. Consequently 43 per cent of the wheat and flax is grown on farms of over 450 acres, the most important group being between 450 and 740 acres.

POSITION OF TENANT FARMERS

The tenant farmers are mostly Spanish and Italian immigrants, and there are a few Germans in certain sections. The tenant farmer should legally have a four-year lease, although in practice the lease is drawn in such a manner that the owner can dispossess him at the end of perhaps the second year. There are several kinds of contracts. The usual one is for the tenant to provide his own horses and machinery. The landlord takes 17 to 30 per cent of the crop, according to the producing zone, delivered at the railway in new bags, with the option of selecting the best grade of grain. In other contracts the landlord takes 50 per cent of the crop, but provides the necessary machinery and equipment. When on the basis of rental for cash, which is less frequent now, the landlord's share works out at approximately one quarter of a normal crop, with the tenant of course taking the risk of a crop failure.

The standard of living of all the tenant farmers, but particularly so in the case of the small holder, is low. As a rule, he moves frequently. His capital consists of the necessary machinery and horses. No provision is made for pasture for the horses, as they feed on the wide roads throughout the entire year. There are no buildings on his holding except a sun-baked mud house. He has no bank credit. He must secure advances on his crop from the merchant in his town who sells him his machinery, his clothing, his extra food requirements, cash to pay for hired labour, and in time buys his grain.

The landlord takes no part in financing the tenant farmer. Educational facilities are free and compulsory but inadequate. There is little need for, nor are there, good roads since automobiles are few. There has been some improvement in roads in recent years. On the other hand, the tenant farmer on the larger holdings has usually modern machinery. There have been 40,000 combines sold in Argentina: nearly one-third of all the grain farmers must own a combine, although combines are frequently owned by groups of farmers and in certain instances by individuals to rent to farmers.

There is therefore the contrast of modern machinery with a low standard of living on the larger rented farms, and a very low standard of living among the small tenant farmers which, combined with fertile and ample land available for cultivation and other generally favourable natural conditions, account for low production costs of grain. Locusts, hail, and periodically drought are the cause of most damage to crops in Argentina.

METHODS OF CULTIVATION

As previously stated, live-stock raising and grain production, while carried on in the same area on adjoining farms, are not combined by individual farmers. There is a long-period rotation between live stock and grain on some of the larger estates. There are some 14,000,000 acres in alfalfa for pasture. Alfalfa will last frequently for sixteen years in Argentina. Some large owners divide their property into two parts, one in cattle and the other in grain. When the alfalfa begins to run out, the tenant farmers are transferred to break up the alfalfa land and left usually to grow up to four successive grain crops, when the land is seeded to alfalfa again and they return to their former holding, which in the meantime has been in grass.

CROP ROTATION

It is estimated that 52 per cent of all Argentine grain farms except those in corn are exclusively in either wheat or flax. In the southern part of the grain-producing area wheat is the principal crop. Flax is also grown quite extensively in this area although subject to damage from frost. Oats, barley and, to some extent, rye are also grown. The land in this section, as elsewhere in Argentina, will still grow wheat year after year. However, only one crop of flax should be grown, so that the farmer generally rotates a part of his wheat land with flax and to a lesser extent with oats, barley, and rye.

In the central and northern section corn, wheat, and flax are the principal crops in order, and these three are sometimes rotated, although, as in the south, wheat is grown year after year on the same land. Corn usually follows flax in this section, the former being used to clean and revive the land. However, no definite system of rotation is followed. The farmer is guided primarily by the price of grain. Then, too, if weather conditions are not suitable for sowing wheat or flax up to July 1, he frequently plants corn in September.

The practice of summer-fallowing the land is not followed in Argentina. Ploughing begins in January or February, immediately after harvest. The land is usually ploughed again and worked up in May or June for seeding. Generally, the farmer cultivates his land well. Machinery and implements from Canada and the United States are used almost exclusively. The grain, except corn, grows during the Argentine winter and is harvested in the late spring. Corn, on the other hand, is planted in the early spring or September and picked in the late summer.

COSTS OF PRODUCTION

Official estimates of the cost of production of grain in Argentina are made each year covering the principal crops. The estimates are made separately for the various producing zones and an average then taken for the entire country for the crop year. The results are shown on the basis of the costs per bushel for an average yield in bushels per acre as indicated:—

Production Costs in Argentina

	Wheat		Corn		Flaxseed	
	1930-31	1932-33	1930-31	1933-34	1930-31	1933-34
	Average in Bushels per Acre					
Yield	14.44	14.41	14.41	35.48	35.67	12.45
Figures in Argentine Pesos						
Rent or fd'd.	0.444	0.406	0.308	0.334	0.226	0.685
Interest	0.174	0.172	0.136	0.046	0.036	0.214
Depreciation	0.150	0.139	0.175	0.038	0.056	0.205
Production expenses	0.783	0.570	0.505	0.512	0.371	1.128
Transportation and storage	0.180	0.174	0.180	0.145	0.135	0.168
Country station	1.731	1.461	1.304	1.075	0.824	2.400
Rail freight	0.289	0.289	0.289	0.178	0.191	0.280
Charges and storage, port..	0.052	0.046	0.046	0.046	0.046	0.082
Cost at port	2.072	1.796	1.639	1.299	1.061	2.762
						2.070

LOWERING CHARGES

On the basis of these official estimates, the cost of producing wheat decreased 21 per cent between 1930-31 and 1933-34. This is attributed to lower rents or, where the farms are owned, lower land values. Interest charges were lower, and decreased expenses of production are attributed to a fall in the prevailing wage rates, to the use of less hired help on the small holdings, and to the increasing use of machinery, particularly in harvesting, on the larger farm units. The smaller farmers are changing back to horses.

TRANSPORTATION METHODS

Wheat in Argentina is transported in bags from the farm to the railway, not by the farmer himself usually but by transport firms or individuals specializing in this work. Hence the charges shown for transportation to the railway. Rail freight charges to ocean ports are shown at 17·6 per cent of the cost of the wheat at the port for 1933-34. It is estimated that at present one-third of the grain is transported from the farm direct to the ports by motor truck. The average yield for wheat has been 12·03 bushels per acre on the acreage sown over the past ten years and 12·99 bushels per acre on the acreage harvested for the corresponding period to 1933-34.

AVERAGES: RENTS, YIELD, FREIGHT RATES

Of the eleven producing zones on which the estimates of average costs are based, the highest average rent paid in 1933 on wheat land was 8·62 pesos per acre for the northern part of the province of Buenos Aires and 7·80 pesos per acre for the southern part of Santa Fé. These two particular zones produce a part of the Argentine "Rosafé" wheat, a semi-hard wheat which is an important factor in export trade. The average yield in these two zones was 18·54 and 19·30 bushels per acre harvested in 1932 and shows no change for 1933. While rents are high in this area, rail freights only average 10 to 14 per cent respectively of the total costs as compared with 17·6 per cent for the entire country. These zones are adjacent to the ports on the River Plate, of which Rosario is the most important shipping centre for grain.

In the Bahia Blanca zone, which comprises the southern section of Buenos Aires province where the Argentine hard or "Barusso" wheat is produced, rents averaged only 3·86 pesos per acre in 1933. The average yield was 14·82 bushels per acre, or considerably below the yield for the best sections of the Rosafé area, and in addition inland freight charges to seaboard were 17·2 per cent of the total cost at the ports. The higher freight charges in this section are attributed to the fact that one railway virtually controls the traffic. Actually, the estimate of total costs of production in the Barusso area was 14 per cent in 1932, but only 5·9 per cent in 1933 lower than costs in the Rosafé area.

WAGES

Wages for unskilled labour in 1933-34 varied from 30 to 45 pesos per month, plus board. Skilled workers such as tractor drivers and threshers were paid up to 6·45 pesos per day. Rents on a share basis ranged from 17 to 30 per cent of the farmer's crop threshed and delivered at the railway. The average price paid to the farmer for wheat delivered at the railway in 1933-34, according to Department of Agriculture figures, was between 1·10 and 1·16 pesos per bushel, according to the zone.

MINIMUM PRICE AND GRAIN BOARD LOSSES

The basic minimum price for wheat in effect officially during 1934 was 1·56 pesos per bushel. This price was maintained by the Argentine Government from November, 1933, to December, 1935. The Grain Regulating Board purchased 52 per cent of the 1933-34 crop. This comprised 75 per cent of the wheat exported from that crop. On the basis of this minimum price, and on 147,000,000 bushels handled, the board incurred a net loss on actual resales of wheat to exporters and millers of 0·04 peso per bushel.

The total loss incurred by the Grain Board in respect of their operations connected with the 1933-34 crop was 8,882,535 pesos or approximately \$3,000,000 Canadian. This amount includes overhead and organization expenses. Losses on corn and flax were negligible. The other 48 per cent of the

1933-34 crop was presumably sold at prices above the basic minimum as fixed. It will be seen that the minimum price set corresponded fairly closely with the official estimate of production costs for 1933-34. The basic minimum price for corn has been 1·12 peso per bushel since 1933, and on flaxseed was 2·90 pesos per bushel until December, 1935.

RELATIVE IMPORTANCE OF GRAIN CROPS

Wheat and corn are the two important grain crops in Argentina, wheat from the point of view of acreage and corn of value in export trade. The following table will indicate the relative importance of the various grain crops:—

Acreage and Exports: Argentine Grain

	Acreage Sown		% Acreage in all Cereals Averages to 1934		% Value All Exports	
	10 Years	5 Years	10 Years	5 Years	10 Years	5 Years
Wheat	19.8	19.6	44	40	21	18
Corn	12.5	14.5	28	30	19	21
Flaxseed	7.1	7.4	16	16	12	13
Oats	3.4	3.6	7	8	2	2
Barley	1.2	1.5	3	3	1	1
Rye	1.0	1.4	2	3	..	..
	45.0	48.0	100	100	55	55

The acreage in corn has increased steadily from 9·1 million acres in 1925 to 17·2 million acres last year and exports from 128 million bushels to 277 million bushels for the respective years. Wheat acreage increased from 17·7 million acres in 1924 to an average of 20·2 million acres for the five-year period to 1934-35. Corn has replaced wheat as the most important export crop. Flaxseed production has shown little change in recent years. The acreage in oats and barley has increased steadily during the past ten years.

UNITED KINGDOM BUDGET

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, April 22, 1936.—The most noteworthy feature of the Budget statement made yesterday in the House of Commons is the high yield of revenue during the year just concluded. The Chancellor of the Exchequer estimated last year for a surplus of £500,000. Actually the returns exceeded expectations by £14,000,000. Of this, £11,000,000 was expended during the year to satisfy supplementary votes for various services, mainly defence. Thus the year closed with a credit balance of approximately £3,000,000. This highly encouraging result was rendered possible by the expansion in the earnings of the population, greater sales of commodities, particularly taxable commodities, and the general rise in capital values.

With regard to the year April 1, 1936, to March 31, 1937, all hopes of remission of taxation have been dissipated by reason of the necessity of greater expenditures on armaments due to the international situation. As is known, the Treasury have to provide for the large defence program—to which the Government is committed. This year it is proposed to devote to the Army, Navy and Air Force more than £42,000,000 in excess of the amount appropriated for these same purposes last year. The total amount allocated for defence is £178,251,000.

Provided that the present standard of business activity is maintained, and assuming that no unforeseen events occur to check the rate of advance, the Chancellor estimated that the taxes in force in 1935-36 would, if unaltered, yield in the current year about £24,000,000 more than last year. That is to say, income on the current basis of taxation would produce £776,606,000. As

the estimated expenditure (excluding the self-balancing services) will probably be £797,897,000, the Chancellor was faced with the necessity of bridging the gap of £21,291,000 by new taxation.

To provide this amount it is proposed to increase the standard rate of income taxation by 3d. in the pound, which is calculated to contribute £12,000,000; to raise the import duty on tea by 2d. per pound, yielding £3,500,000; and to appropriate £5,250,000 from the road fund (into which motor licence fees are paid). The small balance is to be obtained by various minor adjustments in taxation.

Furthermore, the Government intend to take powers to check certain evasions of income tax which have become widespread. The financial effect of these measures is expected to realize £4,500,000 this year and more as time goes on. This tightening up of income tax administration has enabled the Chancellor to give certain reliefs to married persons with small incomes. In the result, while the rate of taxation is advanced from 4s. 6d. to 4s. 9d. in the pound, actually 1,100,000 out of the 1,400,000 married taxpayers will gain more by the special allowances than they are losing by the increase in the standard rate.

The following table will show at a glance the various sources from which it is intended to obtain the £797,897,000 which is required to finance the national services, and leave a surplus of £484,000. The self-balancing items are disregarded:—

ESTIMATED 1936-37 REVENUE

Inland Revenue—	
Income tax	£259,000,000
Surtax	56,500,000
Estate duties	89,000,000
Stamps	27,000,000
Excess profits duty and corporation profits tax	750,000
Land tax, etc.	750,000
	£433,000,000
Customs and Excise—	
Customs	£207,525,000
Excise	110,000,000
	£317,525,000
Motor Vehicle Duties—	
Exchequer share	£ 5,000,000
Total receipts from taxes	£755,525,000
Post office (net receipt)	11,256,000
Crown lands	1,350,000
Receipts from sundry loans	5,000,000
Miscellaneous (including £5,250,000 from road fund)	25,250,000
Total 1936-37 revenue	£798,381,000

In accordance with recent practice, the Budget no longer embodies major changes in customs duties because these are effected by means of Treasury Orders based upon the recommendations of the Import Duties Advisory Committee. Apart from the tea duty, the only alterations in the tariff to be made by Budget resolution are the increase in the tax on non-Empire lager beers imported into the United Kingdom by £1 per barrel; and a technical modification which concerns the polariscopic test of sugar.

The Chancellor made a special allusion in his speech to the future of the Key Industry Duties, which were the subject of a notice in the last issue of the *Commercial Intelligence Journal* (page 889). He stated that the Government have decided to adopt the recommendations of the committee of inquiry with a provision for modification of the duties as and when circumstances may determine.

The policy which the budget is declared to express is "safety before comfort," and its reception has on the whole been favourable.

FURTHER ANALYSIS OF UNITED KINGDOM IMPORTS FROM CANADA IN 1934

C. H. WEST, ASSISTANT TRADE COMMISSIONER

London, April 14, 1936.—The annual statement of the trade of the United Kingdom for the calendar year 1934, as furnished by the Statistical Office of the United Kingdom Customs, has now become available, and a summary of imports from Canada for the period in question is presented hereunder. In view of the multiplicity of items included in the customs returns, only those products have been dealt with which appear of special interest to Canadian trade.

During 1934 imports into the United Kingdom from all countries reached £731,413,783 compared with £675,016,119 in 1933. Canada shared largely in this expansion, and imports from the Dominion improved by over £4,000,000 from £46,215,796 in 1933 to £50,390,335 during the succeeding twelve months.

The figure last noted included increases in exports of a wide variety of manufactured articles in addition to natural products, and the whole range of Canadian industrial and agricultural endeavour was thus benefited. This is illustrated with greater significance by the details which follow:—

CLASS I. FOOD, DRINK, AND TOBACCO

Grain.—Total imports of wheat were 102,625,344 cwts. in 1934 as compared with 112,374,798 cwts. in the previous year. Canada remained in leading place as supplier, although imports from the Dominion fell from 45,570,487 cwts. in 1933 to 35,702,972 cwts. in 1934. During the same period Argentina showed an increase of approximately the same amount as the decline suffered by Canada and made the former a close contestant for first place. Australia ranked third.

In barley Canada advanced rapidly from 825,208 cwts. in 1933 to 1,369,954 cwts. in 1934. Oat shipments also increased markedly, the figures being 1,941,102 cwts. in 1934 as compared with 1,269,425 cwts. in 1933.

There was a diminution in rye imports from the Dominion of approximately 30,000 cwts. to 47,141 cwts. On the other hand, under the aggregated general heading of maize, Canadian supplies rose to 38,376 cwts. from 13,030 cwts. Total imports of peas not fresh (other than split peas) increased slightly, but Canadian shipments fell by approximately 50 per cent to 5,511 cwts. The Dominion was in fourth position as a source of supply of haricot beans (not fresh); consignments totalled 13,618 cwts. as compared with a comparatively negligible quantity in 1933.

Products of the Milling and Allied Industries.—Imports of wheat meal and flour from the Dominion remained at about the same level as in 1933 and registered 4,226,428 cwts. Shipments of Canadian macaroni rose slightly to 30,367 cwts., thus placing the Dominion immediately after Italy as a source of supply.

Under the heading of wheat products other than flour and meal and macaroni, but including shredded wheat and semolina, Canada remained easily in the lead with shipments of 212,938 cwts. out of total imports of 326,155 cwts.

One-half of the total imports of 69,452 cwts. of oatmeal originated in Canada, the actual figure being 36,510 cwts. as compared with 21,437 cwts. in 1933. In oat products other than oatmeal, which includes groats and rolled oats, the Dominion contributed 402,704 cwts., a small improvement over the 1933 figure and representing over 80 per cent of the total imports for 1934.

Canada more than doubled her shipments of maize meal and other milled products of maize, raising the figure to 31,430 cwts., and in malt is credited with 303 cwts.

Feeding Stuffs for Animals.—Canadian supplies of bran and pollard and of sharps and middlings continued to diminish in 1934, the figures for these two groups of commodities for the year under review being 10,586 cwts. and 10,374 cwts. respectively as compared with 19,597 cwts. and 16,486 cwts. in 1933.

Shipments of linseed cake and meal from the Dominion rose to 2,975 cwts. in 1934 from 1,799 cwts.

Imports of hay practically doubled with 13,053 cwts. in 1934 as compared with 7,270 cwts. in 1933, and this gave Canada over 50 per cent of the total volume of imports of this commodity, which registered 23,814 cwts. in the year first mentioned.

Animals, Living, for Food.—There was a great increase in fat bulls and bullocks from the Dominion for food, the imports being 3,007 head as against 637 head in 1933, although in the same period the figures for this type of stock, other than fat, dropped to 41,569 from 46,028.

Meat.—Having appeared in 1933 as a shipper of chilled beef, supplies from the Dominion nearly trebled, consignments in 1934 having reached 55,011 cwt.

Improvement continued in Canadian contributions of frozen beef, boned (and other descriptions), with figures for 1934 of 44,595 cwt., and 26,787 cwt., respectively.

Total bacon imports were 7,598,262 cwt. as compared with 9,084,353 cwt., in 1933, but despite this decrease Canada supplied 894,284 cwt., an increase of approximately 390,000 cwt. The Dominion now stands in second place as a source of supply; Denmark ships over four times the quantity credited to Canada.

Hams originating in Canada amounted to 180,717 cwt.—approximately the same level as in 1933; and shipments of pork chilled or frozen rose by about one-third to 27,134 cwt. A new classification was tinned bacon and hams, of which the Dominion shipped 6,412 cwt.

Dead chicken of Canadian origin rose to 7,404 cwt. in 1934, a pronounced increase over the 733 cwt. in 1933. There was a slight decline in dead turkeys to 7,481 cwt. from 9,160 cwt. in 1933.

Dairy Produce.—Imports of butter from Canada amounted to 54 cwt. as compared with 33,253 cwt. in 1933. Those of cheese (520,223 cwt.) represented a decline of over 100,000 cwt. from 1933.

Following the Netherlands, the Dominion was the largest supplier of unsweetened whole condensed milk and contributed 104,093 cwt., which was about identical with her trade in this commodity in 1933. Shipments of sweetened whole condensed milk originating in Canada receded to 3,604 cwt. from 20,112 cwt. in 1933. In unsweetened milk powder Canada's share was 28,359 cwt. out of total imports of 251,913 cwt.

Fresh Fruit and Vegetables.—Apples and pears are the only commodities under this classification which are imported from the Dominion in any volume. In apples she remained in first place, although with a reduction to 2,489,214 cwt. from 3,373,617 cwt. in 1933. Her shipments of pears were more than halved to 24,746 cwt. In addition, 240 cwt. of plums arrived from Canada; the total in 1933 was 7,495 cwt.

Beverages and Cocoa Preparations.—Imports from Canada of unenumerated fruit juices unfermented, which excludes grape juice or must, amounted to 31,356 gallons as compared with 228,512 gallons in 1933.

Bladders, Casings, and Sausage Skins.—The Dominion contributed a slightly increased share of these commodities in 1934 with shipments of 6,145 cwt. The United States was credited with 38,514 cwt. out of total imports of 74,003 cwt.

Fish, including Shell-fish, Canned.—In canned salmon there was a satisfactory advance to 128,176 cwt. as compared with 100,988 cwt. in 1933. The Dominion ranked fourth to Russia, the United States, and Japan, the last-named country trebling the total of 1933.

Canada supplied 20,306 cwt. of canned lobster out of total imports of 23,814 cwt.

Fruits Preserved with Sugar (currants, gooseberries, loganberries, raspberries, and strawberries).—Canada with 21,776 cwt. was second to the United States. Total imports were 59,600 cwt.

Canada was a negligible factor in peaches, but in pears is credited with 73,007 cwt. out of total imports of 769,541 cwt. The Dominion was the principal source of supply (6,076 cwt.) for plums.

Fruit Pectin.—This commodity was not shown separately until 1934. Imports from Canada in that year were 2,431,009 pounds out of total imports of 2,894,410 pounds.

Honey.—Imports from Canada, the leading source of supply, dropped from 19,034 cwt. to 15,489 cwt. The total fell by over 14,000 cwt. to 65,342 cwt.

Lard.—Canada appears as a shipper of 13,980 cwt. compared with 44,749 cwt. in 1933. On the other hand, supplies from the United States increased to 2,601,803 cwt. Total imports were 2,809,012 cwt.

Canned Vegetables.—Imports of canned tomatoes from Canada were 46,791 cwt. out of a total of 750,286 cwt. Italy and Spain were by far the leading suppliers.

Vinegar and Acetic Acid.—Canada followed Germany in this trade with shipments amounting to 36,792 gallons out of a total of 269,333 gallons, considerably under the previous year's figures.

Tobacco.—In 1934 for the first time tobacco is sub-classified under the headings of light and dark respectively. There were imports from Canada of unmanufactured tobacco, stripped, of the light variety of 126,182 pounds and of 456,915 pounds of the dark, a total of 583,097 pounds as compared with 1,820,210 pounds.

In the case of unstripped unmanufactured tobacco, Canada shipped 5,485,375 pounds of the light and 1,986,790 pounds of the dark, a total of 7,472,165 pounds as compared with 12,140,890 pounds in 1933.

CLASS II. RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Abrasives.—Canada increased her exports of artificial corundum (including alundum, aluxite, etc) in 1934, the figure being 3,058 tons compared with 2,387 tons in 1933. This represents one-half of the total imports for the later period. In crude unground carborundum she is credited with 283 tons out of a total of 591 tons.

Asbestos.—The Dominion followed Southern Rhodesia and South Africa as a source of supply for asbestos and contributed 5,521 tons out of imports totalling 26,582 tons. In 1933 the Dominion was credited with 6,256 tons out of a total of 24,620 tons.

Gypsum.—The total trade in unburnt gypsum and alabaster increased from 55,826 tons in 1933 to 106,458 tons in 1934. Canada appeared for the first time as a source of supply with 40,460 tons.

Magnesite.—This commodity was formerly classified under crude and calcined respectively. In 1934 imports were grouped together and totalled 27,724 tons, of which Canada shipped 1,669 tons. Total imports in 1933 were 14,846 tons, and from Canada 1,822 tons.

Copper Ore.—Trade in copper ore increased by some 9,000 tons to 41,330 tons in 1934: Canada, 28,453 tons compared with 18,259 tons in 1933.

Gold Ore.—This metal is represented by value only and Canada's share was assessed at £29,333 out of total imports of £392,746. This was a decrease from the 1933 figures of £35,446 and £445,607 respectively.

Silver Ore.—Shipments of silver ore from the Dominion were valued at £8,459 as compared with £1,771 in 1933. Total imports had a value of £154,137 as compared with £178,314 in 1933.

Wood and Timber.—Imports from Canada of hewn hardwood amounted to 669,386 cubic feet out of total imports of 2,394,278 cubic feet. Canadian shipments of hewn softwoods (fir, pine, spruce, etc.) totalled 24,299 loads in a trade from all countries of 404,630 loads. In both classifications there were substantial increases over 1933.

Sawn hardwood (other than oak, walnut, and other species not native to Canada) was imported from the Dominion to the extent of 6,555,715 cubic feet, an increase of over 2,000,000 cubic feet over 1933 and representing one-third of the total imports.

Imports from Canada under the heading of sawn softwood (red wood and Douglas fir) amounted to 390,810 loads as compared with 197,830 loads in 1933. Similar imports (other sorts) aggregated 690,283 loads, a substantial increase over 407,461 loads in the previous year.

Wool.—The Dominion's contribution of greasy merino remained at practically the same level as the previous year, with shipments of 14,357 centals (100 pounds). Australia and South Africa were far in the lead in a total trade of 2,943,295 centals.

Greasy crossbred sales from all countries aggregated 3,142,256 centals, of which Canada's share was 13,307 centals.

Hides.—Canadian shipments of wet ox and cow hides again increased and registered 15,688 cwt. as compared with the previous year's figure of 11,774 cwt. Seal skins to the number of 8,257 are credited to the Dominion, an increase of nearly 7,000.

Clover Seed.—The total trade in clover seed dropped from 78,563 cwt. in 1933 to 54,708 cwt. in 1934. Correspondingly, Canada's participation fell from 28,289 cwt. to 11,387 cwt.

CLASS III. ARTICLES WHOLLY OR MAINLY MANUFACTURED

Wire Fencing (other than barbed).—Exports from Canada increased considerably over 1933. The total trade in this commodity was 2,302 tons, of which the Dominion contributed 912 tons.

Wire Nails and Wire Staples.—Total imports increased slightly from 19,178 tons in 1933 to 23,704 tons in 1934. There was a heavy increase in the imports from Canada—9,066 tons compared with 870 tons.

Bolts and Nuts (other than bright).—Canada, as a source of supply, followed Belgium and the Netherlands. The total trade was 5,843 tons, nearly double the total in 1933. Imports from the Dominion increased from 425 tons to 1,129 tons.

Aluminium.—The Dominion was again the principal supplier of this commodity in crude form, with shipments of 231,004 cwt. in a trade totalling 284,432 cwt. In plates, sheets, tubes, etc., her contribution was 10,571 cwt. out of a trade aggregating 64,751 cwt.

Bismuth.—The trade receded from 491,549 pounds to 418,614 pounds. Canada's participation increased, however, from 51,960 pounds to 71,410 pounds. The United States was by far the outstanding supplier.

Cadmium.—The bulk of the sales were shared by Australia and Canada, with shipments together aggregating 586,620 pounds out of a total of 721,359 pounds. Canada's share of 199,299 pounds was slightly under that for 1933.

Cobalt.—Belgium practically monopolized this business; Canada supplied 29,673 pounds, a slight increase. The total trade was 351,602 pounds.

Electrolytic Unwrought Copper.—Imports totalled 110,264 tons, of which the Dominion supplied 56,831 tons, an increase of 20,000 tons over the 1933 figure.

Copper Wire (No. 20 gauge and thicker).—The Dominion is credited with practically the entire trade, which increased from 12,463 cwts. in 1933 to 14,970 cwts. (Canada 10,083 cwts. and 13,103 cwts.).

Pig Lead.—Canada ranks after Australia as a supplier of this commodity: total sales rose from 281,509 tons to 312,815 tons. The Dominion contributed 69,966 tons in 1933 and 76,582 tons in 1934.

Nickel (unwrought, in pellets, cubes, etc.).—In 1934 imports from Canada were 48,117 cwts. in total shipments of 77,186 cwts.

Nickel Ingots, Sheet and Strips.—The Dominion lost first place to the United States as leading supplier, and her contribution dropped to 11 cwts. from 6,718 cwts. in 1933. In the same period total shipments rose from 8,200 cwts. to 24,148 cwts.

Zinc (crude).—This trade aggregated 130,900 tons as compared with 82,821 tons in 1933 (Canada, 76,506 tons and 51,501 tons).

Safety Razor Blades.—Canada re-entered the market after an absence of several years. Total sales were entered at £35,031 (Canada, £472). Germany was by far the largest source of supply.

Hosiery Latch Needles.—In point of number Canada supplied approximately half of the 34,416,860 needles imported in 1934. From the standpoint of value, however, her share was assessed at £103,507 in sales totalling £166,641. Germany was the other important source of supply.

Implements and Tools.—Tools for agricultural purposes to the value of £3,676 arrived from Canada out of imports totalling £4,647. The Dominion was also the leading supplier of files and rasps with sales valued at £40,367 out of total imports valued at £51,102.

Optical Instruments and Appliances.—Canada does not participate to any large extent in the trade in lenses, prisms, etc. Total imports were valued at £105,462 (Canada, £1,848). Germany, France, and the United States were the chief contributors. Of bodies for telescopes, microscopes, etc., Canada shipped to the value of £20,227 in a trade valued at £307,343.

Watches.—Canada shared to the extent of £7,716 in a trade valued at £814,080. This was an improvement in the position in 1933, when the value was £5,258.

Telegraph and Telephone Apparatus.—The United States held the bulk of the business in receiving sets. Canada shipped 2,013 (£6,004) out of 83,242 (£286,045) sets imported. In 1933 Canada supplied 8,409 sets valued at £24,453. Parts and accessories were imported from the Dominion to the extent of £24,445 worth, compared with £13,520 worth in 1933.

Electric Furnace Carbons.—Shipments from Canada rose from 69,450 (£45,655) in 1933 to 161,407 (£56,743) in 1934. Total imports in 1934 were 187,390 (£68,413).

Electric Cooking and Heating Apparatus.—Imports from Canada totalled £15,664 as compared with £14,346 in 1933. This was out of a total trade in 1934 of £78,503.

Agricultural Machinery.—There was a falling off in Canada's share of the trade in mechanical farm ploughs from 225 tons (£7,259) in 1933 to 185 tons (£6,855) in 1934. Total sales in 1934 were 483 tons (£28,725). In reapers and binders the Dominion was prominent with sales of 703 tons (£35,733) out of a total of 1,106 tons (£64,165).

Office Machinery.—In accounting and calculating machines and cash registers shipments from Canada totalled 317 tons (£187,821) out of an aggregate of 653 tons (£731,270). Typewriters to the number of 247 (£2,639) originated in Canada compared with 4,126 (£58,798) in 1933.

Vacuum Cleaners.—Canada was the largest source of supply for vacuum cleaners, her contribution being 3,642 (£42,198) in sales totalling 11,482 (£148,083). This trade has receded considerably since 1930.

Doors.—The number of doors coming from Canada increased largely over 1933, the figures for the two periods being respectively 373,966 (£139,997) and 141,317 (£52,754). The United States remained the leading source of supply with shipments of 1,701,292 out of total imports of 2,755,030 in number (£861,992).

Tool Handles.—Canada's shipments of tool handles reached the satisfactory level of 7,828 gross as compared with 4,267 gross in 1933. Total imports were 65,543 gross, of which nearly two-thirds came from the United States.

Domestic Woodware.—The Dominion was the third largest supplier, following Germany and Sweden. Her share was valued at £25,623 in total imports of £169,726. In 1933 Canada was credited with £13,033.

Artificial Silk Piece-goods.—Canada does not show prominently in this trade, but in 1934 there was a distinct improvement. Total imports were valued at £1,364,823. Canada was credited with £12,413 as compared with only £405 in 1933.

Hemp Binder and Reaper Twine.—The United Kingdom is dependent upon Canada for most of her imports of this commodity. The total reached 76,848 cwts. (£104,055), of which Canada is credited with 56,796 cwts. (£78,789) as compared with 54,220 cwts. (£70,157) in 1933.

Women's and Girls' Costumes, Dresses, Coats, Skirts, etc.—Imports from Canada reached a new high figure of £21,422 as compared with £15,211 in 1933. The total trade was valued at £968,931.

Women's Boots.—The Dominion is not among the leaders in this trade, but her participation showed a marked increase over 1933. Shipments from Canada in 1934 totalled 2,743 dozen pairs (£27,965) as compared with 478 dozen pairs (£5,193) in 1933. Imports from all countries aggregated £661,045.

Leather Gloves.—Imports from Canada totalled 58,985 dozen pairs (£76,645) as against 29,773 dozen pairs (£38,420) in 1933. Italy had over half of the total volume of business, which aggregated 701,297 dozen pairs (£941,817).

Silk Stockings.—Total imports reached 77,049 dozen pairs (£115,147). The Dominion retained her position in first place and shipped 28,539 dozen pairs (£43,872). This is to be compared with the figure of 24,027 dozen pairs (£39,408) in 1933.

Cobalt Oxide.—The Dominion is the largest shipper of this chemical. In 1934, out of total imports of 3,313 cwt. (£80,123), Canada was credited with 2,470 cwt. (£62,722).

Nickel Oxide.—Imports amounting to 2,582 cwt. were credited to Canada as compared with 1,340 cwt. in 1933.

Phosphorus.—Canada dominated the market with shipments of 20,215 cwt. (£63,698) out of 20,725 cwt. (£67,181) imported.

Sodium Chlorate.—The Dominion was responsible for over a third of the imports, which totalled 27,186 cwt. (£33,691). Her trade represented 10,150 cwt. (£12,665), which compared favourably with 2,494 cwt. (£3,113) in 1933.

Bronze Powder and Other Metallic Pigments.—Total imports under this heading declined from a value of £170,896 in 1933 to £123,911. At the same time Canada slightly increased her exports from 4,708 cwt. (£33,752) in the earlier period to 4,827 cwt. (£35,456) in 1934. Together with Germany, which was in first place, the Dominion shared the bulk of this business.

Toilet Soap.—Canada was credited with practically the entire trade. Out of total imports of 62,538 cwt. (£103,916), 61,780 cwt. (£99,186) originated in the Dominion.

Shaving Soap.—Canada had most of the business in this article, her shipments totalling 1,958 cwt. (£16,658) in a trade of 2,098 cwt. (£17,592).

Undressed Sole Leather, Bends and Butts.—This trade totalled 27,513 cwt. as compared with 34,710 cwt. in 1933. Canadian participation increased from 2,172 cwt. (£16,616) to 3,047 cwt. (£20,777).

In bellies and shoulders the Dominion appeared as a shipper of 2,078 cwt. valued at £7,371; total trade was 32,192 cwt. (£107,014). Australia and the United States were the leading suppliers.

Dressed Upper Leather, Box and Willow Calf.—Imports aggregated 44,559 cwt. (£1,459,334). Germany was the outstanding source of supply, followed by Canada with 5,025 cwt. (£188,465) compared with 3,273 cwt. (£115,451) in 1933.

Patent Leather.—The Dominion furnished over two-thirds of the United Kingdom requirements of this commodity. Imports credited to Canada reached 9,118 cwt. (£251,953) out of total shipments of 13,664 cwt. (£367,542).

Newsprint.—Imports rose to 7,440,333 cwt. (£3,570,653) from 6,884,869 cwt. (£3,584,711). Canada retained her position in second place, but shipments fell to 1,571,292 cwt. (£723,601) from 1,917,081 cwt. (£977,355). About half of the total supplies came from Newfoundland.

Cardboard and Millboard (other than wallboard).—Canada almost doubled her share of this trade. Exports were 439,447 cwt. (£283,055) as compared with 241,853 cwt. (£165,532) in 1933. The total trade amounted to 2,686,678 cwt. (£1,792,572), a slight increase.

Wallboards (exceeding $\frac{1}{4}$ inch in thickness).—The United Kingdom took greatly increased quantities of this product; total imports were 310,532 cwt. as against 185,441 cwt. in 1933. Imports from the Dominion advanced to 126,971 cwt. from 77,578 cwt.

Motor Cars.—Imports of motor cars totalled 10,177 units compared with 3,900 in 1933. The United States had the principal share in the increase. Canada, however, increased her share with shipments of 2,872 vehicles as against 1,795.

Outer Tires for Motor Cars.—Outer tires from Canada totalled 2,683 out of aggregate imports of 99,047 (£108,813).

Sparking Plugs.—Total imports were at approximately the same level as in 1933, Canada being responsible for the bulk of the shipments. Imports from the Dominion reached 1,669,890 of a total of 1,915,041 (£48,288).

Rubber Gloves.—Canada and Germany are the principal suppliers of this commodity; the latter has nearly two-thirds of the business. The United Kingdom imported 77,499 dozen pairs, of which the Dominion was credited with 18,301 dozen pairs. In the previous year she supplied 12,930 dozen pairs.

Toilet Paste or Powder, Toilet Cream, Lipstick, Rouge, etc.—Canada follows France as a source of supply for these products. Imports were valued at £77,163 (Canada, £20,773).

Fountain Pens and Stylographic Pens (including gold nibs).—Imports were valued at £113,527. Canada was in first place with £90,675, a considerable improvement over the value of £53,673 in 1933.

CLASS IV. ANIMALS, NOT FOR FOOD

Cows and Heifers (including those for dairy purposes).—Imports under this heading showed a pronounced advance, a total being recorded of 49,788 head (£628,889) as compared with 10,683 head (£180,221) in 1933. Canada shared in this expansion, 1,197 (£21,357) as compared with 21 in 1933.

Geldings.—One hundred geldings were imported from Canada out of 6,188 horses of this description brought in from other countries. In 1933 only three such animals were shipped.

WEST OF ENGLAND ECONOMIC REVIEW

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, April 17, 1936.—During the first quarter of 1936 the general level of trading activity throughout the West of England and the Midlands was well maintained. The disturbed political situation abroad is making for uncertainty in some industries, obviously those primarily concerned with export trading, but also those specializing in jewellery, an industry of importance to Birmingham.

One encouraging feature of the period under review was the reported substantial increase in orders obtained by the engineering industries. This maintained or improving level of trade and industrial activity, which is reflected in the decreasing numbers of unemployed, has, however, intensified the problem of a shortage of skilled labour. The difficulty was confined until recently to a few industries, but with the general extension of recovery it has become common to many occupations where important processes depend on the work of highly skilled operatives. From the Midlands it is reported that the position has become so acute that not only has important work been delayed but manufacturers are now hesitating to commit themselves to plant extensions which the present trends of activity seem to warrant. In the engineering branches of industry a lack of precision workers has long been felt, and, from the employer's point of view, the situation will become even worse as much of the rearmament work that is to be undertaken, especially in relation to aircraft construction, requires craftsmen of more than usual ability and skill.

BRISTOL

In Bristol an exceedingly heavy demand for skilled men by the building trade has been experienced, particularly by speculative builders. The motor trades are also taking on men, while greater activity in the aircraft industry continues. The boot and leather industries have been at least maintaining their generally satisfactory positions, particularly manufacturers of upper leather, whose business has not been insensitive to the 15 per cent extra duty recently imposed on box and willow calf. More employment is also reported by the furniture trades and by the iron and steel industries.

The fiscal year of the Port of Bristol Authority ends on March 31, and the traffic of the port for the year just completed was very satisfactory. During the year 3,600,180 tons of shipping entered the port, of which 2,721,220 tons was from abroad, as compared with 3,403,330 tons in the year preceding, of which 2,547,640 tons was from foreign ports. The volume of goods which passed through the port also increased in a satisfactory manner to 4,311,890 tons as compared with 3,950,040 tons in the year before. Imports of grain from abroad during the fiscal year amounted to 1,001,768 tons, the highest total in the history of the port.

The total bank clearings for the first three months of 1936 amounted to £17,089,000 as compared with £15,154,000 for the corresponding period of 1935, an increase of nearly 13 per cent.

BIRMINGHAM

The situation in Birmingham continued to be satisfactory. The shortage of skilled labour is causing delays, but practically every factory in the area is operating to capacity. Most electrical firms report a record year for their trade turnover not only for engineering equipment but for fittings, radio sets, and domestic appliances. Manufacturers of motor cars, motor cycles, and bicycles all report good orders, which incidentally reflects continued activity for accessories and parts manufacturers.

BANK CLEARINGS

This greater activity is reflected in the increasing clearing house returns. During the first quarter of the year the bank clearings of Birmingham advanced to £35,214,000 from £31,688,000 in the corresponding period of 1935, an increase of over 11 per cent.

LEICESTER

From the Leicester area there are reports of difficulties in reconciling advanced and hardened prices of leather with prices of finished footwear. Until a few weeks ago it could be said that the prospects of the hosiery manufacturers in the domestic market had a better tone, as, since goods were then in the hands of retailers, only a period of shopping activity was required to bring about repeat orders. Unfortunately, the pre-Easter and Easter weather of the entire United Kingdom was unusually cold, and the hosiery and other clothing trades received a setback.

The engineering and construction trades of the Leicester area report maintained conditions of orders and employment, and the progress of the area as a whole is reflected in slightly larger bank clearings, which during the quarter under review increased slightly as compared with 1935 to £9,947,000 from £9,884,000.

SOUTH WALES

In South Wales the export coal trade of the Cardiff area is reported as disappointing and is affecting principally the steam-coal producers and shippers, for whose products, particularly of the large sizes, there has been an almost complete absence of demand from abroad. This in turn is limiting the production of small and sized coals and duff, for which a ready market does exist. The French coal quota continued throughout the quarter at the disappointingly low level of 50 per cent and, generally speaking, the coal trade has been quiet. The anthracite trade of Swansea is seasonally quiet during the first quarter of the year, but with Continental inquiry weak the markets were unusually restricted. A seasonal decline in domestic demand is expected, but the resumption of the Canadian trade, now a feature of this industry, is expected to arrest the effects of such a decline.

Conditions in the South Wales iron and steel industries are reported satisfactory, with greater activity in operating. Conditions around Cardiff can be judged from the fact that a third blast furnace in course of construction is shortly to be brought into commission. The majority of the works have good orders on hand and, while the volume of new business is not great, it is reported that producers themselves are largely responsible for this condition as they are apparently not willing to increase their commitments. A growing demand is reported for heavy finished steel, owing no doubt to the greater activity in shipbuilding and structural engineering. The tinplate market certainly has a better

tone, and plants are able to operate at 60 per cent of capacity. Export prices, however, continue unchanged at 18s. 9d. per standard box f.o.b. Welsh ports.

Increased traffic through the ports of South Wales owned and operated by the Great Western Railway would greatly improve the position of the railway company, as inland traffic receipts continue to improve. During the first twelve weeks of 1936 the receipts from passenger traffic increased to £1,854,000 from £1,843,000 in 1935, while the receipts from the movement of freight increased to £3,559,000 during the period, from the £3,440,000 of the same twelve weeks of 1935.

WEST OF ENGLAND GRAIN AND FLOUR MARKETS

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

WHEAT

Bristol, April 27, 1936.—At the beginning of 1936 the wheat market of the West of England had a firm tone owing to smaller world shipments. Toward the end of January prices advanced as the demand continued to be general. At this time there was some doubt as to the volume Argentine clearances might total, which in January had been very low. Early in the year reports were current of very low French acreage seeded to wheat, and the winter-sown French wheat crop was reported to be in poor condition. During February large shipments of Australian and Canadian wheat were being made to this country, but despite this fact and a poor European demand the market remained firm. Arrivals of Canadian and Australian wheat during March continued to be large, but the market remained so firm that the lower grades of Manitobas were attracting considerable attention.

Toward the end of March, before the opening of the St. Lawrence, clearances from Canada to the West of England were very light, but a greater movement is expected in the near future. One authority expressed the view that clearances weekly from Canada during the last three months of the cereal year should average between 800,000 and 1,000,000 quarters, compared with an average clearance during the same period of 1935 of only 360,000 quarters weekly.

The greater interest which has been shown in Canadian wheat for some months is reflected in the fact that imports through the port of Bristol of Canadian wheat were almost twice as large during the first quarter as they were during the same period of 1935. For the three months ended March 31, 1936, imports of wheat from all sources through the port of Bristol amounted to 90,706 tons compared with 79,798 tons in 1935. Of the 1936 imports no less than 65,914 tons came from Canada, compared with 33,235 tons in 1935.

An average price of English, No. 2 Manitoba, and Argentine wheat at certain times during the first quarter follows:—

	English	No. 2 Manitoba	Argentine
	Quarters of 480 Lbs.		
	s. d.	s. d.	s. d.
January 1	25 6	32 6	30 0
January 25	27 3	33 9	29 7½
February 29	25 7½	31 9	29 3
March 31	27 3	31 0	29 1½

BARLEY AND OATS

The total imports of barley through the port of Bristol during the first quarter of 1936 amounted to 39,881 tons compared with 36,110 tons during 1935. Of the 1936 imports only 540 tons came from Canada, compared with 983 tons during the first quarter of 1935.

The quantity of oats imported through the port of Bristol during the first quarter of 1936 was less than half of that imported in 1935. During 1936 imports

of oats only amounted to 2,237 tons compared with 4,565 tons in 1935. All the oats imported through Bristol in the period under review were of Canadian origin compared with 90 per cent in the 1935 period.

WHEAT FLOUR

With easier conditions in the grain trade, Canadian flour mills are apparently more competitive than they have been for many years. Bristol importers not only report a greater actual flour business, but they point to the gratifying fact that accounts are being reopened with merchants and bakers which have been dormant for years.

The flour market of 1936 opened with a quiet demand for home-milled flour, with a slight falling off in Canadian shipments. Conditions continued to be easy during January, with some price declines. The market for home-milled flour improved during February, and, with the improved wheat prices, quotations were advanced slightly by 6d. This price advance did not provoke much interest in forward positions. Shipments from North America declined again in a more pronounced manner, not only to the United Kingdom but also to European ports. British millers reported a decline in sales to the Continent.

During March the trade in general was not brisk. A few purchasers showed some interest in forward positions and prices continued to be steady. Distributors of Canadian flour participated in this interest in forward buying, and a noticeable feature at the close of the quarter was a conspicuous absence of offerings of Continental flour.

During the first quarter of the year the price of a straight-milled English flour declined slightly from 29s. to 28s. 6d. per 280 pounds, while the price of a standard brand of Canadian flour declined from 31s. 3d. to 29s. 6d. The narrowing difference between the two prices is primarily responsible for the widening interest now being reported in Canadian flours.

DUBLIN WATER AND POWER DEVELOPMENT

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, April 18, 1936.—In *Commercial Intelligence Journal* No. 1625 (March 23, 1935), there was reported the possibility of a settlement between the three parties interested in a projected new scheme for additional hydro-electric power and water supply for Dublin, to originate at Poulaphuca, on the River Liffey, within 20 miles of this city. The Saorstad Government (one of the interested parties) has announced that agreement has now been reached between the Department of Industry and Commerce, the Electricity Supply Board, and the Dublin Corporation, on the apportionment of the cost of the new works, and that the necessary legislation and details of the work are to be prepared with as little delay as possible.

Development of new and existing industries in and around Dublin has, in recent years, taxed to the utmost the present available electrical power, and the provision of hundreds of new houses with hot and cold water supplies, to replace the town tenement dwellings where sanitary conveniences were of the crudest character, has created an increased demand for domestic water to such an extent that, on several occasions recently, a situation of general alarm arose because of shortage. Nevertheless, it is expected that many months will of necessity have to elapse before the Poulaphuca reservoir will be at the stage of supplementing in a practical way the present attenuated supply.

The scheme is designed to serve a dual purpose; it will afford the opportunity for auxiliary hydro-electric power development and provide an alternative and additional water reservoir for Dublin.

The corporation is interested mainly in the waterworks part of the development, and will probably have charge of that branch of the scheme, which will include the erection of aqueducts, pipe lines, etc., from the proposed reservoir to the city. The Electricity Supply Board, on the other hand, will be responsible for the installation of plant and machinery for hydro-electrical development.

The present Shannon Electrical Power Scheme was equipped with German plant and machinery. Tenders have not been called for the new scheme, nor are the engineering details so far available. The work is expected to be of sufficient magnitude to ensure adequate power and water to the city and environs of Dublin for generations, and it is expected that by mid-summer the scheme should provide employment for some 1,000 workmen.

AMENITIES OF THE SCHEME

The natural amenities of the district of Poulaphuca in the Wicklow Mountains will be preserved and developed by the proposed scheme. The new 5,000-acre lake which will be created by the damming of the River Liffey is expected to become the pivotal point of an entirely new development in the public health and recreational facilities of Greater Dublin. New industrial as well as residential districts are likely to be opened up over the whole hillside district stretching inland from Dublin and along the upper Liffey valley when that area is furnished with adequate supplies of water and electric current.

Canadian firms interested in participating in this new development should, if possible, be represented on the spot as early as possible, and preferably, by one of their own engineers.

ECONOMIC CONDITIONS IN SOUTH AFRICA

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, April 2, 1936.—The high level of prosperity attained during 1935 has continued into the first three months of 1936. The general index of industrial activity has reached new high levels, and the trend is still upward. Gold production continues to increase, and government and railway revenues are soaring. Civil servants have not only had their salary cuts restored, but are having refunded the amount of their salary deduction during the year 1932-33. The railways continue to build up large reserves, and at the same time are planning new construction in all directions. Imports and exports continue to rise; lower duties on many items have been announced in the Budget speech.

The agricultural industry, which has always received so much government help, is now benefiting from improved world prices, especially in wool. Although maize crop prospects for this season are somewhat below last year, they must still be considered as good. Maize prices have reached so high a level in the domestic market as to warrant official attention. Exports of dried and deciduous fruit are both higher than during 1935. The country has had a record production of wheat, which, however, in this case, owing to the high artificial domestic price, has resulted in lower prices being obtained by the farmers than they had calculated on when the crops were planted.

During the last two and a half years the Johannesburg gold mines have been the source of the prosperity, and in fact still are. But the wealth of the gold mines is now radiating out and touching, in some way or other, even the smallest village. As long as the premium on gold lasts, present wool prices are maintained, and the country remains free from serious drought or locust pests, it is difficult to see why conditions should not become even more prosperous.

GOVERNMENT FINANCES

The Minister of Finance, in his Budget speech of March 24, announced a surplus for the year ending March 31 of approximately £3,055,000.

The Government commenced the year with a credit balance carried forward of £773,000; the estimated revenue for the fiscal year 1935-36 was placed at £36,404,000, but actually revenue is expected to reach £39,082,000, an increase of £2,678,000 over the original estimate. This figure, added to the credit balance brought forward, amounts to £3,451,000. The subtraction of excess expenditure over the estimates leaves a net surplus of £3,055,000.

The Minister of Finance announced that as the result of conversion loans and other operations, the annual public debt charges have been reduced by over £1,300,000. Further loan operations for the coming year were also forecast. Because of surplus funds in the Union, for which there is no outlet, the Government has decided to issue a prospectus early this year calling for subscriptions for a domestic loan of £18,500,000. It is also proposed to pay off a small domestic loan due this year, and to convert three other loans to a lower rate of interest.

As the result of important changes in the sinking fund, there is a considerable change in the Union's national debt position. At the commencement of the financial year the public debt stood at £274,000,000, but the Minister of Finance, in his Budget speech, announced that this will have fallen to approximately £251,000,000 by the end of March, 1936. This reduction of the public debt has been made possible by the Union's policy of building up sinking funds. At the commencement of the year the amount in the sinking fund stood at £28,500,000; the minister estimates at March 31, 1936, it will have fallen to £5,300,000, indicating clearly the part these sinking funds have played in the reducing of the national debt.

Another satisfactory feature is the decline in the external debt. With the payment of the two London loans, the Union's debt in London will be reduced to approximately £104,000,000, or about £2,000,000 below the amount at which it stood at time of Union in 1910.

The total public debt in 1910 amounted to £116,000,000; up to March 31, 1936, additional loans had been raised to the extent of £181,000,000, and during the same time debt has been cancelled to the extent of £46,000,000, making a net increase in the Union's debt since 1910 of £135,000,000, or a total outstanding at March 31, 1936, of £251,000,000. The Government has been pursuing a definite policy since 1926 with regard to debt redemption. In that year a general sinking fund was established providing that for forty years there should be annual contributions of a definite minimum amount from revenue account. The Minister of Finance has announced further that he proposes to make excess contributions as and when revenue permits.

The Government, as the result of its surplus, proposes to reduce the duty on tea, medicines, hardware, pedal cycles, radio apparatus, gramophones, explosives, clocks, watches, toys, sporting goods, and other items.

The estimated revenue for the fiscal year 1936-37 has now been placed at £38,337,000, which is an increase of £1,433,000 over the final estimates for the fiscal year 1935-36.

Estimated expenditure for the fiscal year ending March 31, 1937, has been placed at £36,483,098, which compared with the revised estimates of expenditure for 1935-36 means a saving of £666,902. This means that another budget surplus of £1,854,000 is anticipated during the fiscal year ending March 31, 1937.

RAILWAYS AND HARBOURS

The Minister of Railways and Harbours has announced that railway revenue for the fiscal year ended March 31 will probably amount to £35,042,000, which will mean a net surplus for the year of £3,507,619.

For the new fiscal year the minister estimates railway revenue and expenditure to balance at approximately £34,675,000.

During the coming year some of the railway rates will be reduced. Harbour dues are also to be reduced, amounting in some instances to 50 per cent of the previous port dues.

During the year a considerable amount of railway building is proposed at various important centres throughout the Union. The total cost is estimated at over £700,000. Harbour improvements are also provided for, and the electrification of a number of lines is to be continued. The lines which it is now proposed to electrify involve a total of 126 miles.

Railway earnings for the first months of this year are steadily rising. Returns for February indicate earnings as amounting to £2,430,094, which is an increase of £310,613 over the same month in 1935.

For the year ending December 31, 1935, 15,756 tourists visited the Union, compared with 9,038 during 1934. With the Empire Exhibition to be held this year, these figures will probably be doubled.

South African Airways carried 1,132 passengers in January, 1936, as compared with 483 in 1935. The number of miles flown was almost double that of the previous year. Mail carried increased from 2,838 pounds in January, 1935, to 10,646 pounds in January, 1936.

In aerial transport a number of changes will shortly take place, due to the Union Government Airways taking over from Imperial Airways on the stretch from Cape Town to Johannesburg. A report on the "Development of Commercial Air Transportation in South Africa" was published in *Commercial Intelligence Journal* No. 1683 (May 2).

AGRICULTURE

Agricultural conditions on the whole are fair. The locust menace, which has given cause for alarm during the last few years, is now practically over. Unfortunately, in some parts of the Union another sort of pest in the form of army worms has begun, and some crops have been destroyed. Stock are in good condition and grazing is generally good.

New sugar cane is reported as being in fair condition, although likely to be slightly below normal. The final crop estimate for the season just closed is placed at 417,000 short tons as compared with 358,738 short tons last year.

WOOL

The wool situation is bright. Stocks are low and prices are being well maintained. Total stocks in bales of unsold wool in the Union of South Africa at the end of February this year amounted to 18,164 bales. This compares with 81,278 bales on hand at the end of February, 1935, and 86,782 at the end of February, 1934. During the first seven months of this season France has been the chief buyer of South African wool, followed by Great Britain and Germany.

Unless a totally unexpected reduction takes place in consumption, wool exporters should find themselves in a much better position than they have been in for some considerable time. During February prices continued to show a fractional increase, which was continued on into March. The average price for the last eight months was 9·9d. per pound, as compared with 7·6d. per pound during the 1934-35 season. During early February this year the average price for Union shipments reached 10·2d. per pound for grease wool, which forms the bulk of the shipments. Scoured wool, which is the grade of most interest to Canada, averaged a price during early February of 17·7d., which compares with 16·3d. for the same month last year.

MAIZE

Figures issued by the Department of Agriculture indicate a maize crop of 16,112,400 bags of 200 pounds each for this season. This compares with a production in the season 1935-36 of 18,728,000, or a decrease of over 2,000,000 bags. This has been due to unfavourable conditions during the planting season, but since January there have been good rainfalls in the most important maize-producing areas, and satisfactory progress has been made.

In the Transkeian territory, where maize is grown mainly by the natives, this year's production will probably be 50 per cent below last year owing to lack of rains. In other parts of the Cape Province production will be heavier.

TOBACCO

The tobacco crop this year is estimated at 19,356,000 pounds of Virginian and 1,000,000 pounds of Turkish tobacco, in comparison with the revised estimate last year of 19,771,000 pounds and 483,000 respectively.

FRUIT

Exports of deciduous fruit for this season—that is, from November to the end of February, which are the latest figures available—indicate a substantial increase over the same period last year, viz., 2,542,716 cases (41,732 tons of 2,240 pounds) as compared with 1,999,016 cases (36,057 tons of 2,240 pounds) for the same period last year.

Dried fruit also shows a substantial increase, amounting to 2,651,329 pounds from November to February inclusive, as compared with 1,886,195 pounds for the same period last year.

The unseasonable weather experienced in the Cape Province this summer has had rather a bad effect on the grape crop, which has been slow in maturing. The yield, however, is splendid with regard to both quality and quantity, and there is every prospect that exports this season will break all records.

WHEAT

There were no imports of wheat into the Union from either Australia or Canada during February and March—probably the first time in the history of the country that there has not been at least some small quantity imported from one or other of these countries. There is a large surplus of locally grown wheat for the disposal of which there has not been found any satisfactory outlet. At the present time the government is extending assistance to enable this wheat to be carried over to next year so as to maintain a satisfactory internal price.

The Wheat Control Board appointed by the Government has agreed on 17s. 6d. per bag of 200 pounds as an average price for first-grade wheat, and

they will assist the industry to keep wheat off the market by making compensation for losses suffered through storage.

The final estimate of the wheat crop has been placed at 6,059,000 bags of 200 pounds each, which compares with 4,603,000 bags for last season.

Sales of agricultural implements are being well maintained, and if crop prospects continue to improve, they may be expected to increase.

EMPLOYMENT AND INDUSTRY

The index number of employment, using July, 1925, as 1,000, stood at 1,338 for January, 1936, which is the highest figure at which it has stood since 1927. A shortage of high-grade labour is reported in the printing industry, and in Johannesburg skilled building men are at a premium.

The total value of building plans passed during January, 1936, was £1,181,297. This compares favourably with the monthly average for 1935, indicating that construction in the Union is showing no sign of a decline. Construction of flats accounts for a fair proportion, although individual dwelling houses still make up about 43 per cent of the total.

As a result timber imports, from Canada especially, are increasing rapidly, and there is every indication that supplies from the Dominion during 1936 will show a 75 per cent increase over 1935, which, considering the steady increase of the last two years, is noteworthy.

There was a slight falling off in employment in the furniture industry during January and February, but reports indicate that these factories are again well employed. The boot and shoe industry continues busy. The sale of motor cars during the first three months of this year is considered satisfactory. A motor show was held in Cape Town last month, at which a number of the new model cars were shown, and all agents report increased business as a result.

Gold production continues to increase, amounting in January of this year to 922,144 ounces, which compares with the monthly average in 1935 of 897,833 ounces and in 1934 of 873,321 ounces.

The diamond industry is showing signs of revival. The average production in 1935 amounted to 56,394 metric carats as compared with 36,693 metric carats in 1934. The announcement was made in March that the Dutoitspan diamond mine was about to reopen after being closed for four years.

PRICE INDEXES

The average price index for 1935, using 1914 as 1,000, stood at 1,155, as compared with the price index for the month of February of this year of 1,157, showing a slight advance of two points over last year's average for food, fuel, light, rent, and sundries. It is expected that with the reduction in duty of 2d. per pound on tea, and with lower duties on a number of other commodities, as announced by the Minister of Finance, the cost-of-living index figure should show a decline. Unfortunately, many of the staples of life such as bread, flour, and butter will not be affected.

IMPORTS AND EXPORTS

Imports for January and February were valued at £13,357,000, which compares with £11,512,000 for January and February, 1935. Exports for the first two months were valued at £16,538,000, including the gold premium, as compared to £11,679,000 for the corresponding period last year.

RADIO IN SOUTH AFRICA

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, April 3, 1936.—The first two wireless stations in South Africa were erected in 1910, one at Cape Town and the other at Durban. Radio broadcasting was introduced in 1924, and in 1927 the African Broadcasting Company was formed and took over the three stations then in use at Cape Town, Johannesburg, and Durban. The new company remodelled the existing stations, and built others in order to better serve the scattered population. At the present time, in addition to those from the above-mentioned stations, programs are broadcast from Grahamstown, Pretoria, Pietermaritzburg, and Bloemfontein.

The rapid growth in the use of radios is indicated by the number of licensed listeners in the Union, which increased from 15,509 as on December 31, 1927, to 129,689 on the corresponding date in 1935. It is estimated that at the end of February, 1936, the number had increased to 140,000.

As stated in a report entitled "National Control of Broadcasting in South Africa," which appeared in *Commercial Intelligence Journal* No. 1673 (February 22, 1936), up to the present broadcasting has been in the hands of a privately owned company, but following a recent investigation, the South African Government propose to place broadcasting under a public utility trust created by statute.

IMPORTATIONS

The imports of wireless instruments and appliances into the Union in 1934 were valued at £525,521 as compared with £219,846 in 1933 and £114,358 in 1932.

United States manufacturers are the leading suppliers, as indicated by the following figures showing imports for these years by countries of origin:—

	1932	1933	1934
Total	£114,358	£219,846	£525,521
United States	83,560	147,175	411,239
Great Britain	14,775	57,735	80,761
Holland	12,876	11,469	25,680
Japan	33	668	3,146
Germany	2,767	1,493	2,258
Austria	29	1	1,223
Canada	62	106	703

MARKET DEMAND

The manufacture of radio receiving apparatus in South Africa is small. The demand is for complete sets ready for use, that for accessories being chiefly limited to tubes and a small quantity of spare parts for repair purposes. The majority of sales are on the part-payment plan, the initial payment including installation. With every new set sold a "Blue Voucher" is issued, which, when forwarded to the African Broadcasting Company, is exchanged by them for a radio licence good for one year. The cost of a licence is £1 15s. (\$8.75) per annum, which is high in comparison with that in many other countries.

On account of there being no domestic production of radios in South Africa, this market is well catered for by foreign manufacturers. All the principal makes and many others are offered to the public. Some Canadian sets are on the market, but, generally speaking, Canadian prices have not been competitive, though the few sets sold have met with approval.

The principal demand at present is for sets of the "all-wave" type. Sets for sale in the principal centres should be wired for 220 to 240 volts, 50-cycle, alternating current. There is also a limited sale for battery sets in outlying sections.

The demand is about evenly divided between table models and cabinet types, with a limited sale for radio-gramophones. Sets of five to eight tubes are the principal sellers.

DUTIES

The United Kingdom enjoys a preference over other countries in radio apparatus and accessories, the duty on imports from that source being 10 per cent ad valorem as compared with 20 per cent from all other countries. Radio-gramophones are dutiable at 20 per cent ad valorem from all sources.

To place an unknown make of radio on this market at the present time would require energetic salesmanship, but with the improvement in broadcasting and the increasing interest being shown by the general public, this market is worthy of serious consideration by Canadian manufacturers, who must, however, be prepared to materially assist their local representatives in order to gain an entry.

MOTOR VEHICLE IMPORTS INTO INDIA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

PASSENGER CARS

Calcutta, March 24, 1936.—Official statistics now available show that during the six months ended September 30, 1935, India imported 6,045 passenger cars valued at Rs.10,670,000 as compared with 6,665 cars valued at Rs.11,790,000 in the corresponding period of 1934.

The falling off was principally due to smaller shipments from the United States, which fell by more than a third. On the other hand, imports from the United Kingdom increased by over 35 per cent, although the increase in value was not in proportion. Imports from Canada showed a very slight increase.

The following table shows the position as regards the various supplying countries:—

	April-Sept., 1934		April-Sept., 1935	
	No.	Rs.	No.	Rs.
United Kingdom	1,760	3,690,000	2,383	4,080,000
United States	3,327	5,570,000	2,025	3,950,000
Canada	1,399	2,180,000	1,419	2,250,000
Italy	87	170,000	76	110,000
Germany	43	80,000	92	200,000
France	12	50,000	4	10,000

BUSES, VANS, AND LORRIES

The imports of motor buses, vans, and lorries fell heavily in number, from 5,110 during the six months April to September, 1934, to 3,776 during the corresponding period of 1935, but relatively there was a smaller decline in value, from Rs.5,930,000 to Rs.5,510,000.

Imports from the United States, the principal source of supply, declined from 3,543 vehicles valued at Rs.3,500,000 in 1934 to 1,971 valued at Rs.2,140,000 in 1935. Canada was the next largest supplier, showing an increase from 1,266 vehicles valued at Rs.1,540,000 to 1,414 valued at Rs.1,860,000. The share of the United Kingdom in this trade was small, amounting to only 283 and 349 vehicles respectively for the two periods, but there was a sharp rise in value, from Rs.840,000 to Rs.1,350,000.

IMPORTS OF TIRES

A heavy fall in the imports of pneumatic motor tires—from 168,533 to 133,553—was recorded, but there was a rise in value from Rs.6,030,000 to Rs.6,250,000. The decline was shared by all supplying countries with the

exception of France, whose contribution rose slightly from 1,232 covers (Rs.60,-000) to 1,391 covers (Rs.100,000). Shipments from the United Kingdom were reduced from 111,077 covers (Rs.3,980,000) to 101,097 covers (Rs.4,860,000); from the United States, from 22,150 covers (Rs.780,000) to 10,554 (Rs.560,000); from Canada, from 10,051 (Rs.320,000) to 1,291 (Rs.50,000); from Italy, from 3,403 (Rs.120,000) to 547 (Rs.20,000); from Germany, from 5,957 covers (Rs.270,000) to 5,750 covers (Rs.300,000).

Imports of solid rubber tires for motor vehicles showed an appreciable increase in number but remained practically stationary in value. The total imports in the April-September period of fiscal year 1935 amounted to 1,671 tires valued at Rs.150,000, and in the corresponding period of 1935-36 to 2,191 tires valued at Rs.150,000. The bulk of the imports are from the United Kingdom.

MR. PALMER'S TOUR IN CANADA

Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City, whose territory comprises Mexico, Guatemala, Honduras, and Salvador, will arrive shortly in Canada for the purpose of making a tour of the principal centres in the interest of Canadian trade with these countries. He will visit Ottawa from May 18 to 23 and Montreal from May 28 to June 5.

Firms who wish to be brought in touch with Mr. Palmer should communicate, for Ottawa with the Department of Trade and Commerce, and for Montreal with the Montreal Board of Trade.

MR. BOWER'S FORTHCOMING VISIT TO CANADA

Mr. R. P. Bower, Acting Canadian Trade Commissioner at Batavia, Java, is expected to arrive in Vancouver about the middle of June for the purpose of making a tour through the Dominion in the interests of Canadian trade with Netherlands India. The Batavia office covers the whole of Netherlands India with the exception of Northern Sumatra, which is assigned to the office in Singapore. Canadian firms interested in the Netherlands Indian market, who desire to get in touch with Mr. Bower, are requested to communicate with the Department of Trade and Commerce, Ottawa.

GERMAN COAL INDUSTRY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(R.M.1 is approximately equal to Can.\$0.40)

Hamburg, April 23, 1936.—In view of the development of a substantial trade in German coal to the Canadian market during recent years, the following summary analysis of this local industry may be of interest to Canadian firms engaged in this business and in industrial enterprises in which coal is used as a raw material.

RESOURCES

Germany's coal resources, up to a depth of 1,000 metres (3,280 feet), have been officially estimated at 99,339 million metric tons (2,204 pounds). Of this total, some 77,500 million tons are of anthracite or bituminous grade, described as "Steinkohlen," of which roughly 12 per cent is good quality anthracite, while the remainder is commonly known as "Braunkohlen," a peat-coal of limited value and utility. These resources are centred in the Ruhr district, where it is estimated that some 56,000 million tons of anthracite and bituminous grades are

available. Other fields of importance are found in Silesia, Thuringia, and Saxony, the Krefeld area, the Saar basin, and in the Niederlausitz district.

These resources are less in volume than the estimated total reserves in Canadian coal fields. The grades of German coal are, however, considerably higher and, when all grades are converted to an anthracite basis, it appears that German reserves are approximately half as large as those which have to date been estimated as available from Canadian deposits.

PRODUCTION

Current production of German coal mines amounts to 260,000,000 metric tons per annum. This figure is comparable with data of pre-war output and with those of the years 1925-1930, since when, however, production records declined appreciably until 1935. Anthracite and bituminous grades make up some 45 to 50 per cent of an average year's output, but provide some four-fifths of the total value of this production for which R.M.1,600,000,000 may be accepted as a yearly average. The industry comprises some 450 mines and employs about 400,000 workers.

COAL CONSUMPTION IN GERMANY

The bulk of Germany's coal production is consumed within the country. As noted above, the 1935 output amounted to approximately 260,000,000 tons. Imports during the same year were 5,930,000 tons and exports 26,775,000 tons. The quantity sold for local consumption or retained by the mines accordingly appears as some 239,155,000 tons.

It is to be noted in this regard that large quantities of coal are used in Germany for the generation of electric power. Water-power resources are comparatively limited and coal consumption is correspondingly high.

FOREIGN TRADE IN COAL

Coal is an important factor in Germany's foreign trade. During the year 1935 the value of exports of all types of coal was R.M.252,203,000, this figure being the third largest among the values of all individual commodities exported from this country and comprising almost 6 per cent of the total value of all export trade. Germany's principal markets for this commodity are Italy, the Netherlands, France, Belgium, and Czechoslovakia, and substantial shipments have also been made during recent years to such distant destinations as Brazil, Argentina, and Canada. These exports are, of course, comprised largely of anthracite or high-grade bituminous coal.

There is also a regular importation of coal into the German market, such business resulting largely from price differentials in various parts of the country. The United Kingdom is the largest supplier of this commodity, having, for example, shipped 2,960,782 tons of anthracite and steam grades out of a total imported tonnage for 1935 of 5,930,000. Czechoslovakia was of secondary importance, supplying 1,660,000 tons of low-grade coal, while the Netherlands and France are also recorded as having participated in this trade to a substantial degree.

PRICES IN THE DOMESTIC MARKET

Prices at mines in the Ruhr district vary from R.M.14 per metric ton for low grades to R.M.30 for good-quality washed anthracite. An average figure for steam coal is R.M.18 per ton.

In the Hamburg market, where both German and United Kingdom coal meet in competition, prices applicable to the former vary from R.M.18 per ton for gas coal to R.M.22 per ton for foundry grades. English and Scotch coals

are priced as low as R.M.11.75 per ton for small steam coals and vary up to R.M.45 per ton for first-grade anthracite.

EXPORT OF GERMAN COAL TO CANADA

Germany is the third largest supplier of Canadian coal imports. The following table shows the quantities and values applicable to this trade for the years 1931 to 1935, according to both Canadian and German official trade returns:—

Year	Canadian Statistics ¹		German Statistics ²	
	Tons of 2,000 Lbs.	\$	Tons of 2,204 Lbs.	R.M.
1931	11,480	58,542	31,268	510,000
1932	60,762	261,660	49,135	483,000
1933	52,189	165,523	.....	.....
1934	144	503	70,735	678,000
1935	72,103	211,549	190,637	2,265,000

¹ Years ending March 31. ² Calendar years.

There is such divergence between these data that an attempt to reconcile them would serve no useful purpose. German trade in coal to the Canadian market may nevertheless be counted as substantial. It is concerned principally with Westphalian and Silesian anthracite in “nut” size, which has recently been quoted at some Can.\$4 per metric ton c.i.f. main Atlantic ports.

DECLINE IN NETHERLANDS MOTOR CAR REGISTRATION

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Rotterdam, April 24, 1936.—The official statistics covering the number of motor cars in the Netherlands, which are based on the taxation returns on August 1, 1935, and which have recently been published, show for the first time a decline in numbers. While the per-capita ownership of automobiles in Holland is still low in comparison with such countries as Canada, it is probable that the saturation point has been reached until such time as an improvement in the economic situation brings about a rise in incomes and a consequent increase in purchasing power.

Approximately 80 per cent of the motor cars in the Netherlands is of United States origin, and the fact that the contraction in purchases had not manifested itself at an earlier date has been largely due to the fall in the value of the dollar, which after 1932 made the cost price in local currency appreciably cheaper. This stimulated business which would otherwise have contracted concurrently with the decline in ability to buy, caused by the deepening of the depression.

The number of motor vehicles by principal groups, which have been in use in Holland during each of the past five years, has been as follows:—

	1931	1932	1933	1934	1935
Passenger cars	75,369	81,277	85,400	90,088	88,293
Trucks	46,012	48,494	49,007	49,951	47,160
Buses	3,626	3,783	3,814	3,814	3,794
Motor cycles	32,323	32,919	33,401	32,871	41,954

It will be noted from the foregoing that the only increase is with respect to motor cycles, the cheapest category of motor-propelled vehicles, which are now being used by numbers of people who would under more favourable circumstances be car owners.

The Netherlands returns list the number of each make of car in the country. Seventy-five per cent of the total or 66,026 of all the passenger cars are confined to twelve makes. The names of these, together with the number of each on

August 1, 1935, were as follows: Ford, 20,059; Chevrolet, 18,471; Citroen, 4,044; Opel, 3,789; Essex, 3,444; Buick, 3,045; Studebaker, 2,370; Nash, 2,296; Fiat, 2,295; Plymouth, 2,097; Renault, 2,062; Chrysler, 2,054.

The improvement of highways and the building of bridges, both of which are making steady progress in the Netherlands, are factors which facilitate the growth of motor traffic. On the other hand, until the effects of the depression have been lightened, the increase in car registrations which has taken place up to 1934 is unlikely to be revived.

ECONOMIC CONDITIONS IN THE NETHERLANDS

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One florin equals \$0.402 at par and approximately \$0.67 at current rate of exchange;
one metric ton equals 2,205 pounds)

Rotterdam, April 25, 1936.—There have been some signs of improvement in the economic situation of Holland during the first three months of 1936. The gains, however, are not general and are offset by declines in other quarters. Industry and shipping show advances, though foreign trade and the extent of unemployment are still adverse factors. In the financial field the position of both the Treasury and the Netherlands Bank were stronger, the guilder was steadier, and money easier. On the other hand, state-revenues and the results of clearing agreements—particularly the latter—were not satisfactory. Developments have therefore been irregular, but the fact that there are some upturns is encouraging.

FINANCIAL CONDITIONS AND PRICES

During the quarter under review the Netherlands Bank has twice reduced its discount rate, first from $3\frac{1}{2}$ to 3 per cent on January 16, and then on February 4 to $2\frac{1}{2}$ per cent, at which figure it now stands. This returns the rate to the discount level prevalent before last year's attacks on the guilder. Anxiety for the stability of the currency is less evident, and with a reduction of notes in circulation plus increases in the gold reserves, the gold cover percentage rose to 80 at the end of the quarter.

The money market reflected these conditions and rates were comparatively low. When news was received of Germany's reoccupation of the Rhineland, the market hardened momentarily and only short-time loans could be secured. The stock market was little affected and within a few days the money market also eased.

The Treasury was able to reduce the amount of floating debt, aided by the successful outcome of a new Government loan for fl. 104,000,000 in 4 per cent bonds, of which fl. 59,000,000 was from public and the remainder from certain state funds.

Stocks have moved rather irregularly. Certain of the industrials show improvements resulting from the placing of orders from abroad; East Indian shares are higher, and of the general leaders, Phillips, Ford (of Holland), and the A.K.U. (artificial silk) declined, while Unilever gained. Tobacco shares rose owing to a compensation agreement with Germany, by which the latter country will purchase large quantities of East Indian tobacco from middlemen in Holland in barter for a new ship to be constructed in Germany.

The index number of wholesale prices stood at 61.5 for March, 1936 (basis 1926-30 equals 100) as compared with 60.6 for March, 1935. The general average for the whole year of 1935 was also 61.5. During the last quarter foodstuffs prices have declined, manufactured products remained about the same, and raw material prices were irregular. Cost of living indices show a downward trend.

TRADE AND INDUSTRY

Total foreign trade of the Netherlands was valued at fl. 389,000,000 in the first three months of 1936. This was a slight increase over the corresponding period of 1935, when the total was fl. 386,000,000, but is considerably less than the figure of fl. 435,000,000 for the last quarter of 1935.

Imports for the period under review amounted to fl. 233,000,000, and exports to fl. 156,000,000. Exporters—even those who have taken drastic steps to reorganize technically, reduce production costs and wages—are handicapped by increasing restrictions in their natural markets. The most important check received was from Germany, with which the clearing arrears limit trading opportunities. Clearing agreements are also in operation with Italy, Bulgaria, Turkey, and Chile, and one is pending with Roumania. The results of most of these have not been entirely satisfactory to Netherlands trade.

The application of import quotas, which materially reduce the amount of goods entering the country, has given at the same time a definite stimulation to domestic producers, who have been able to increase their share of the home market. One authority estimates that, whereas in 1931 Netherlands woollen goods producers only supplied 44 per cent of the domestic consumption and knitted goods factories only 57 per cent, their respective shares in 1935 had advanced to 70 and 75 per cent.

Imports of Canadian goods into Holland and exports of Netherlands merchandise to the Dominion both showed increases in the first quarter of 1936 over the corresponding period of 1935. Goods from Canada were brought in to the value of fl. 2,639,000 as compared to fl. 2,067,000 in the months January-to-March, 1935. Netherlands exports to the Dominion rose in value to fl. 919,000 compared with fl. 894,000, and the volume was more than doubled during the period under review.

SHIPPING

Shipping showed a noticeable advance in the past three months. Traffic is greater, and there is considerable new tonnage under construction. Shipbuilders have recently organized with a view to avoiding wasteful competition. The total number of seagoing vessels which entered the port of Rotterdam between January 1 and March 31 was 2,918, with a net tonnage of 4,818,170 in comparison with 2,716 ships and a net tonnage of 4,308,425 during the corresponding period last year.

In 1934 the shipping companies were unable to meet their depreciation charges, but with the aid of the subsidy received from the Government and better returns, it is expected that these expenses will be met for 1935.

Some seventy-two vessels are under construction in the various yards. These represent an investment of over fl. 30,000,000, and will be of considerable importance in their influence on allied industries and in the relief of unemployment.

UNEMPLOYMENT

This is still a serious problem, and the past winter has witnessed the highest figures ever recorded of persons without work. The number of registered unemployed at the end of February was 465,500, a decline from the high point of 475,900 which was reached at the close of January, 1936.

Owing to the granting of a supplementary credit and a rearrangement of the Work Fund, there is still some fl. 20,000,000 available for public works. The Government intend to speed up their program of bridge-building. The railways are proceeding with further electrification of their systems, which will provide added opportunities for workers in the installation and in the fabrication of the equipment and vehicles.

A factor which must be reckoned with is the annual increase in the numbers of unemployed. The growth in the population is continuous, there is little emigration, and as the number of births was unusually high between 1921 and 1929, the next few years will witness a corresponding number of young persons looking for employment.

BRAZILIAN MARKET FOR PULP AND PAPER

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Wood-pulp

DEVELOPMENT OF BRAZILIAN PRODUCTION

Rio de Janeiro, March 25, 1936.—With the growth in Brazil of various industries utilizing wood-pulp in their processes, there has been a movement in the direction of domestic production. Practically the entire Brazilian requirements of wood-pulp have been, and still are, obtained from foreign sources. The Government, with the backing of the pulp-using industry, is now exerting every effort to encourage domestic production.

Tests have been made, through government agencies, of the various woods that are grown in Brazil to determine their suitability for the production of pulp, and it has been found that the Parana pine offers the best possibilities in this direction. There is, unfortunately, a lack of homogeneous growth in localities sufficiently easy of access.

However, during the last two or three years several of the more important paper manufacturers have begun production of a part of their requirements. The Companhia de Melhoramentos de Sao Paulo have a stand of some 6,000,000 trees and are, to a considerable extent, engaging in reforestation. It is estimated that 30,000 cubic metres of pulp-wood are required for an annual production of 5,000 tons of paper. On this basis, it is estimated that their reserves would be completely exhausted within three years. They anticipate, however, that with the development now in hand their plantations will be sufficient to produce about half of their total requirements of pulp within three or four years.

A second Sao Paulo company has also embarked on a forestation plan which they believe will supply at least a part of their needs within about two years. They are already producing approximately 1,000 tons of pulp a year from rice straw.

A third company produces some 3,300 tons of pulp for their own consumption, and a fourth is in a position to supply a portion of their own requirements.

From the foregoing it may be estimated that within (say) the next three years production in Brazil will hardly amount to more than 10,000 tons, which, taken in conjunction with the present importation of wood-pulp, indicates that it will be many years before Brazil will be producing even a fair percentage of her own requirements.

BRAZILIAN IMPORTS

In 1929 the total imports of wood-pulp amounted to just short of 50,000 metric tons. In 1931, owing to unsettled conditions, the total fell to 29,000 tons, but by 1934 it had reached 74,190 metric tons valued at £450,900.

In 1929 Finland, followed by Sweden, was the principal source of supply. In 1934, however, Great Britain took first place with a total of 22,700 tons, followed by Sweden with 19,853 tons and Germany with 14,898 tons.

Brazilian statistics do not discriminate as between the different types of wood-pulp imports. It is estimated, however, that 50 per cent is unbleached sulphite, 5 per cent bleached sulphite, 15 per cent sulphate, and 30 per cent mechanical.

CUSTOMS DUTIES AND RESTRICTIONS

Wood-pulp for the manufacture of paper is admitted into Brazil at reduced rates of duty, provided it complies with the regulations, which are designed to prevent the use of wood-pulp for purposes other than paper-making. The customs tariff of 1934 makes wood-pulp dutiable at 94.039 milreis (approximately \$5.30) per metric ton, gross weight, provided the sheets are perforated with circles, rectangles or triangles having a diameter or base of 15 millimetres or more and spaced every 10 centimetres or less. Should they not come up to this specification, the duty will be applied as on plain pasteboard sheets, on which the rate is nearly 20 times higher. It was found, however, that this regulation was not in accordance with the usual practice throughout the world, and, by ministerial order, the application of this item of the tariff is not being rigidly enforced, and sheets treated in accordance with the usual practice will be admitted under the reduced rate.

PRICES

Prices reported ruling at the present time for imported wool-pulp are as follows per metric ton c.i.f. Rio de Janeiro: bleached sulphite, £11; unbleached sulphite, £8; kraft, £8 to £12 13s.; mechanical, £5 to £5 10s.

Paper

BRAZILIAN PAPER INDUSTRY

The production of paper was begun in Brazil in 1851. At the present time there are in operation 23 mills, turning out practically every kind of paper with the exception of newsprint. Eleven of these factories are located in the State of Sao Paulo and operate in all 25 machines. One small factory, of recent installation, is engaged in the production of cigarette paper. The capital involved amounts to 36,000 contos (approximately \$2,000,000). Production is in the neighbourhood of 50,000 tons for nine of the larger concerns respecting which information is available.

The two largest firms in Sao Paulo, and indeed in Brazil, are the Companhia Fabricadora de Papeis, operating five machines with an annual production of approximately 13,000 to 14,000 tons of wrapping, printing and writing paper; and the second, the Companhia Melhoramentos de Sao Paulo, also operating five machines, with a yearly production of 10,000 tons.

In the State of Rio de Janeiro there are six firms operating nine machines, with an average output of 16,000 tons of the same types of paper as are produced in Sao Paulo.

The State of Para has two factories, Pernambuco one, Minas Geraes two, Santa Catharine one, and Rio Grande do Sul two. These are all small concerns, operating among them ten machines with an output of 18,000 tons, which brings the total Brazilian production to something over 80,000 tons from 42 machines.

The production increased from 44,900 tons in 1929 to exactly 80,000 in 1934. Of this production it is estimated that 38 per cent is high-quality paper for printing and writing, which places the production of low-grade papers, mostly tissue and wrapping, at around 50,000 tons.

CONSUMPTION OF PAPER IN BRAZIL

In per capita consumption Brazil ranks low among the countries using paper to any extent. The United States and Great Britain have a per capita consumption of 62 to 67 kilos, Japan 10.5, Poland 3.5, Russia 3.5, and Brazil 2.8 kilos. This is due to two factors, the first being that a great percentage of the population of Brazil are more or less aborigines, and the second is that even

in centres of population the average purchasing power is so low that the use of paper is carefully curtailed. This is particularly noticeable in the paper used for correspondence by even the wealthiest and most progressive business houses.

NEWSPRINT

Newsprint is the principal importation. In the city of Rio de Janeiro alone, there are some thirty daily papers published.

Newsprint is not produced in Brazil. In 1929, 41,908 tons valued at £641,000 were imported. The revolution years of 1931 and 1932 brought imports down, but by the end of 1934 the total had reached 40,422 tons valued at £245,000. Norway was credited with 15,000 tons in 1929 and 9,800 tons in 1934. In the latter year, Finland held first place with 14,800 tons, followed by Canada with 5,900 tons, Sweden with 4,600 tons, and Germany with 3,400 tons. Austria, the United States, Great Britain, and Holland were other contributors.

PRICES

The 1936 prices for newsprint with water-line are quoted as being £8 10s. per metric ton c.i.f. Rio de Janeiro, and for newsprint with the water-mark of the publisher at £9 5s. per metric ton c.i.f. Rio de Janeiro. The type of paper demanded is usually 52 grams per square metre in rolls containing from 500 to 550 metres. Widths vary, but a close estimate can be taken as 10 per cent being of 80 centimetres, 15 per cent 1.31 metres, and 75 per cent 1.75 metres.

TARIFF RATES AND DISPOSITIONS

The Brazilian press has been accorded reduced duties for paper imported by them to be used only for the printing of newspapers and periodicals. There are, however, certain regulations which must be met before the paper is entitled to this reduction.

In the first place only publishers registered with the Customs House are eligible. In the case of newsprint imported by these registered publishers, which bears a water-line or striped water-mark every five centimetres, the duty is 0.08 milreis per kilo (about \$4.80 per ton). If, throughout its entire length and breadth, it is clearly water-marked with the name of the newspaper for which it is intended, such water-marks to appear at a maximum distance apart of 20 centimetres, it is allowed to enter free of duty.

PRINTING PAPER

In 1934, a total of 1,289 tons of printing paper was imported into Brazil, which is a decrease from the figures for the previous two years, owing to the fact that local production of this paper is increasing. Sweden is again the largest supplier, followed by Holland and Germany, which three countries supplied approximately 90 per cent of the total requirements of Brazil.

Duties, under this class of paper, depend as to whether it is water-marked or not. When it bears no water-mark it is dutiable in the weight at the rate of 3.413 milreis per kilo (\$8.80 per 100 pounds) when the weight is less than 35 grams per square metre, and 1.711 milreis per kilo (\$4.40 per 100 pounds) when it weighs more than 35 grams and up to 180 grams per square metre.

CARDBOARD AND MILLBOARD

Imports of cardboard and millboard, the production of which is growing rapidly in Brazil, was 1,168 tons in 1933 and 773 tons in 1934. Germany in 1934 supplied 191 tons, followed by Belgium with 112 tons, Holland with 101 tons and the United States with 88 tons, accounting for two-thirds of total

importation. Cardboard and millboard in the white, in sheets or rolls, are dutiable at 1.711 milreis per kilo (\$4.40 per 100 pounds).

WRITING PAPER AND STATIONERY

Imports of writing paper and stationery have declined to a very marked degree, as the Brazilian production has increased to the point where it may be said that most of this class of paper is imported by foreigners resident in Brazil, with the result that in 1934 imports decreased from 342 tons to 291 tons. Austria with 89 tons held first place, followed by Germany with 46 tons. The United States, Great Britain, Holland, Italy, and Sweden were other sources of supply.

WALLPAPER

Owing to the extreme humidity in the coastal cities, in which the bulk of the population is concentrated, wallpaper is not used to a great extent because of its tendency to rapid deterioration. Coupled with this is the increasing use of interior paints, which are rapidly growing in favour in Brazil, not only because they withstand the humidity but because of their coolness and the greater ease in keeping them clean.

Importation of wallpaper in 1934 totalled 1,886 kilos as against 4,576 kilos in 1933. Great Britain was credited with 828 kilos in 1934. Germany, France, Sweden, Belgium and Japan were other contributing countries.

MARKET FOR CODFISH IN COSTA RICA

W. J. RIDDIFORD, CANADIAN TRADE COMMISSIONER

Panama City, April 10, 1936.—Although both the Atlantic and the Pacific coast waters of Costa Rica are believed capable of yielding quite large catches of edible fish, there has been a market in that country for imported dried codfish for many years. This demand probably originated among the large groups of West Indians who were brought to Costa Rica by a foreign fruit company and given employment on banana plantations. The native Costa Ricans are also consumers of codfish, but their demand is limited almost entirely to the Lenten season, whereas codfish is one of the diet staples of the West Indian group throughout the year.

IMPORTS OF CODFISH INTO COSTA RICA

The following table shows the volume and country of origin of imports of codfish into Costa Rica during 1933, 1934, and 1935:—

Country	1933 Gross Kilos	1934 Gross Kilos	1935 Gross Kilos
United Kingdom	54,142	75,856	73,752
Norway	56,462	41,921	38,534
United States	58,178	18,597	3,355
Canada	26,097	49,765	59,400
Denmark	1,181	.....	.....
Germany	821	1,355	.....
Holland	3,242	1,075	.....
Panama	1,168	7	10
Total	201,291	188,516	174,051

It is not clear from the above table whether imports from Canada into Costa Rica have increased or decreased during the last three years. The table shows a steady increase in Canada's share of this trade, but it seems likely that the opposite is actually the case. It is known that considerable quantities of Canadian codfish are shipped to Costa Rica through New York and that such shipments in the past frequently were recorded as of American origin. During the

last two years, however, the careful designation of country of origin of imports required by the Exchange Control Board would appear to have resulted in greater accuracy in Costa Rican statistics.

This development is confirmed by a close examination of the above table, which shows that the volume of imports of codfish into Costa Rica during 1935 recorded as being of American origin amounted to only 2,355 kilos as compared with much larger figures for the years 1934 and 1933, during which years considerable quantities of fish of Canadian origin probably were recorded as originating in the United States. Combining and comparing the total American and Canadian shares of this trade during 1933 and 1935, and allowing in each case for the small portion that actually originated in the United States, it seems clear that the total Canadian share of this business has decreased.

CAUSES OF DECLINING IMPORTS

The decline in the total volume of imports of codfish into Costa Rica, comparing the years 1933 and 1935, amounts to 27,240 kilos or approximately 13·5 per cent. This decrease may be attributed to the unsatisfactory economic conditions prevailing in Costa Rica during the last three years, largely as a result of the decreased demand abroad and low prices obtained for domestic exports of coffee and bananas.

The depressed condition of agriculture in Costa Rica is reflected in the decrease by approximately one-third of the number of West Indians employed in banana production during the last five years. Since codfish is regarded as one of the staple foods of the West Indians in Costa Rica, the decreased number of them employed in recent years partially explains the decline in imports of codfish.

Another factor which has affected the codfish trade with Costa Rica is the comparatively heavy duties and special taxes levied upon this commodity upon importation, amounting to 41·17 cents Costa Rican currency, or approximately 6 cents United States currency, per gross kilo. The fish itself costs about 6½ cents U.S. currency per pound c.i.f., which is approximately 14 cents U.S. currency per kilo. Obviously therefore codfish must retail in the neighbourhood of 25 cents U.S. currency per kilo, which in Costa Rican currency at the present rate of exchange of colones, 6·66 to the U.S. dollar, equals approximately colones 1·65 per kilo. There can be no doubt that the very high price of codfish to the consumer, in Costa Rican currency, has seriously affected sales.

COMPETITIVE IMPORTS

Since the total demand for codfish in Costa Rica is not likely to increase in the near future, the possibility of increasing sales of the Canadian product in that country depends upon successful competition with the United Kingdom and Norway.

Codfish imported into Costa Rica, other than Canadian, is believed to consist largely of the Norwegian product, although large quantities are shown in the above table as originating in the United Kingdom. Practically all of this fish is caught, dried, and packed in Norway, but sold and shipped from Liverpool. The Norwegian product generally is recognized in the trade as being not only cleaner in appearance but also much drier than the Canadian, making it possible to keep the "bone-dry" Norwegian fish in stock for many months without risk of spoilage. Canadian codfish, which are usually larger and fatter, but not so well dried as the Norwegian, are likely to spoil unless consumed within two or three weeks after importation.

Recently the United Kingdom and Norwegian shippers have been offering substitutes for dried codfish at slightly lower prices, such as dried ling and saithes. It seems unlikely that such substitutes will adversely affect the demand for codfish, but possibly the lower cost to consumers may prove temporarily attractive.

PACKING

Although unlined wooden boxes containing 100 pounds net weight are acceptable, importers appreciate a wooden case which contains the same quantity but is lined with thin zinc or tin sheeting. Costa Rican duties are leviable upon gross weight, so that packing should be as light in weight as is consistent with reasonable protection. Norwegian codfish imported into Costa Rica usually is packed in metal-lined boxes. The success enjoyed by this Norwegian pack indicates the importance attached to keeping qualities by Costa Rican importers.

Comparatively small quantities of so-called "white" boneless codfish are imported in tins for consumption in the interior by native Costa Ricans. This business is confined largely to Lenten season requirements, and the fish originates almost entirely in the United States. The tins contain approximately 25 pounds net weight, and are packed four to a light wooden case. The empty tins weigh approximately 2 pounds each. This type of packing is used for the better-class trade and is well liked by importers, because there is not only little risk of spoilage, but also an important saving in duty as a result of the fish being filleted and packed in light-weight tins and cases.

OUTLOOK

Careful attention to the requirements of importers, particularly their demand for thoroughly dried fish and the quotation of competitive prices, should enable Canadian exporters to maintain their present position in the Costa Rican codfish trade. The volume of codfish imported into Costa Rica will not likely increase until economic conditions in that country show material improvement, but Canadian firms should keep in close and constant touch with buyers and energetically endeavour to meet the demands of the market. The office of the Canadian Trade Commissioner, P.O. Box 222, Panama, Republic of Panama, is in a position to assist Canadian codfish exporters interested in the Costa Rican market, and supplementary data on this subject, list of names and addresses of importers, and current prices are available at the Department of Trade and Commerce, Ottawa, and will be supplied to bona-fide Canadian exporters upon application and reference to file No. 30700.

POINTS FOR EXPORTERS TO ECUADOR

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

GEOGRAPHICAL POSITION AND CLIMATE

Lima, April 2, 1936.—The Republic of Ecuador, situated on the west coast of South America, is bounded by Colombia on the north, Peru on the south, on the east by Peru and Brazil, and by the Pacific Ocean on the west. The Galapagos Islands, which belong to Ecuador, are 323 miles from the Ecuadorian coast. The area of the country is estimated at 171,287 square miles.

The country is traversed by the Andes in two parallel ranges, running north to south, while between the mountains and the Pacific Ocean is a narrow stretch of coast plain. To the east a large, well-watered and almost unknown plain extends through what is known as the Oriente. The mountains include volcanoes, ranging from 15,000 feet to 20,000 feet, including Chimborazo (20,700 feet). Although Ecuador is well watered, few of its rivers are navigable, the Guayas river and its tributaries forming the principal waterway.

The climate of Ecuador varies with the altitude, ranging from the tropical of the coast region to the temperate and cold climates of the higher mountain ranges. Average temperature between the Andes and the sea is from 82° to 84° Fahrenheit, and the mean temperature of Guayaquil is 78° Fahrenheit. The dry season is from June to November, and the rainy from December to May.

The estimated population of Ecuador is 2,000,000. The population is preponderantly resident on the Andean plateau.

NATURAL AND MINERAL RESOURCES

Ecuador's principal agricultural products are cacao, ivory nuts, rubber, tobacco, chinchona bark, hat straw ("Toquilla"), and tropical fruits.

Cacao is still the principal export, though it has declined during recent years. It is chiefly grown in the coastal region. Exports for the year ending September 30, 1934, amounted to 14,400 tons. Tagua nuts, used industrially in the manufacture of buttons and collar studs, are also grown and exported. Sugar is cultivated in the lower valleys of the Daule, Babahoyo, and Vinces rivers, while coffee of fine quality is also produced. Other agricultural products include cotton, tobacco, red mangrove of a variety rich in tannin, cereals including corn and rice, and bananas.

The chief mineral wealth lies in oil, and this commodity is now the principal item of export from Ecuador. There are certain gold washings in some of the rivers and gold mining is confined to the Zaruma district. The export of gold ore forms 13.73 per cent of total exports.

INDUSTRIAL DEVELOPMENT

Industrial development is taking place in Ecuador largely as a result of the tariff and depreciation of the Ecuadorian sucre on exchange markets. A cotton-manufacturing industry is growing up around Quito, Riobamba, and Ambato, employing some 3,000 persons in all. Beer and ice are now produced in Guayaquil and Quito, as well as cement, leather, chocolate, tagua nut buttons, carpets, soap, and nails. The chemical industry is also developing; flour milling and tanning are rapidly growing in importance. There are numerous sugar mills and a few small factories making bags of sisal fibre. Alcohol, tobacco, salt, and matches are controlled by Government monopoly. The weaving of Panama hats is one of Ecuador's chief industries, exports in 1933 being valued at \$2,438,353. The output of crude petroleum in 1933 amounted to 68,035,909 United States gallons valued at \$15,648,295. The boot and shoe industry is also well established.

CURRENCY, WEIGHTS, AND MEASURES

The unit of currency in Ecuador is the sucre, with a par value of one-fifth of the United States gold dollar. The metric system of weights and measures is in general use.

BANKING AND DOCUMENTATION

There are no branches of Canadian banks in Ecuador, although most Canadian banks have banking connections. The Anglo-South American Bank has a branch in that country and there are several Ecuadorian banks of good repute.

Full information containing data regarding the documentation of shipments to Ecuador may be obtained on application to the Department of Trade and Commerce, Ottawa, for leaflet entitled "Documentation of Shipments to Ecuador."

COMMERCIAL DISTRICTS

Guayaquil, the principal seaport and commercial centre, is situated on the Guayas river, 30 miles from its mouth. It is about 800 miles from Panama, and through it flows from 80 to 85 per cent of the import and export trade. Its population, which now stands at about 120,000, is mixed, but its commercial influence is dominant throughout the country. The import trade is controlled largely by a group of wholesale importing firms, although the large number of repre-

sentatives and commission agents obtain a fair proportion of such business as is available.

Quito, the capital, has a population of about 90,000 and is connected with Guayaquil by a railway 464 kilometres in length. The journey requires two days with a night-stop at Riobamba, although it can be shortened by about twelve hours by motoring from the latter town to Quito. Other centres together with population and principal industries are: Ambato, 25,000 (textile mills, flour mills, tanneries); Cuenca, 40,000 (mines, hats); Latacunga, 24,000 (cattle farming, dairying); Manta, 5,000 (ivory nuts, cacao, coffee, Panama hats); Riobamba, 30,000 (liquors, woollen and cotton goods, carpets, shoes, cheese, and butter).

FOREIGN TRADE

The following table indicates the volume of Ecuador's foreign trade for the years 1929 to 1933 inclusive:—

	Imports Suces	Exports Suces
1929	84,835,263	86,036,822
1930	63,981,106	80,646,539
1931	44,076,122	56,660,170
1932	34,710,009	49,297,809
1933	31,862,299	44,281,761
1934	62,696,527	108,462,536

In connection with the above returns, it must, however, be borne in mind that these figures include petroleum exports as well as cyanide precipitates, exports of which commodities bring no foreign exchange benefit to the country. When these exports are considered in conjunction with metallic gold and silver imports it is found that the 1934 exports were only 70,875,322 suces, while in 1933 exports when adjusted amounted to 25,275,760 suces.

IMPORTS AND EXPORTS

The principal groups of commodities imported in 1934 were as follows:—

Commodity Group	Suces	Commodity Group	Suces
Cotton and cotton goods	11,788,377	Vehicles, etc.	3,292,015
Live animals, foodstuffs, liquors, etc.	8,613,083	Mineral oils, stoves, etc.	3,071,477
Metals, etc.	8,287,423	Paper, cardboard, etc.	2,827,757
Machinery and apparatus	6,301,190	Wool, and woollen goods, etc.	2,486,638
Pigments, paints, perfumery, etc.	6,067,511	Silk, etc.	2,051,198
Miscellaneous articles	3,797,846	Linen fibres	1,425,229
		Other articles, viz.: glass, leather, wood, etc.	2,696,783

Percentages by chief sources of supply were as follows: United States, 33; United Kingdom, 12; Japan, 13; Germany, 11; France and Chile, each 3; Italy and Peru, each 2; Spain and Norway, each 1.

Ecuador's principal exports in 1934, in suces, were:—

	Suces		Suces
Cocoa	27,165,459	Ivory nuts	4,871,504
Coffee	20,656,004	Fruit, fresh	2,495,840
Cyanide precipitates	18,905,566	Rice	1,784,179
Petroleum	12,901,987	Hides	1,113,709
Panama hats	5,828,388	Balsa wood	695,896

Percentages by countries of destination of the principal exports were: United States, 44; France, 19; Germany, 6; United Kingdom, 4; Spain, the Netherlands, Colombia, and Italy, each 3; Chile, Belgium, Peru, each 2.

OPPORTUNITIES FOR CANADIAN PRODUCTS

Ecuador being largely self-sustaining from a foodstuffs point of view, the prospects of a considerable market in that country for this type of product is

not extensive. On the coast, however, provided competitive prices can be offered against Chilean and Argentine flours, certain openings present themselves, but these are restricted to the Guayaquil market, since wheat is grown in the interior and, although of an inferior quality, there is sufficient to take care of consumption under normal conditions. An increasing number of manufactured goods are in demand from time to time, as well as materials entering into secondary industries. As indicated in the above general classification of imports, an idea can be gathered of those lines which lend themselves to that market. Ecuador is essentially a price market, quality in most instances being of secondary consideration.

QUOTATIONS AND TERMS

Quotations should be c.i.f. Guayaquil; prices f.o.b. factory are not acceptable.

Terms vary from thirty to ninety days sight draft against documents or longer, depending upon the product and the standing of firms. If selling commissions, discounts, etc., are included in quotations, these should be clearly stated. In certain lines such as textiles, even longer terms are given—up to 180 days.

SHIPPING

At the present time there is no direct steamship service from Eastern Canada to Ecuadorian points, although the Montreal New Zealand Australia Line will take cargo for transshipment at the Canal Zone. However, direct service via New York to Guayaquil, Ecuador, is offered by the Grace Line, which also operates to Guayaquil from Vancouver.

GENERAL

Ecuador is essentially a price market, and its import trade is principally handled by the long-established merchant houses, who in some cases act as exclusive agents, by agents selling on a commission basis, and branch offices of foreign houses. Since the older import houses already handle a greater number of lines than they ordinarily can do justice to, the most satisfactory representation, on the whole, would be to appoint agents selling on a commission basis. Advertising must be in Spanish.

Commercial travellers are subject to a tax of 100 sucres on each entry into the republic. This tax is levied on arrival by the customs authorities and the receipt must be produced at each port called at or otherwise tax must be paid again. A local tax of 80 sucres a month is charged at Quito.

Samples to the value of approximately \$2,000 may be imported, subject to the deposit of an amount equal to the import duties being given as a guarantee of re-export within six months.

STEEL INDUSTRY OF JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(One yen equals approximately 29 cents Canadian for 1934 and 1935)

Tokyo, March 28, 1936.—The steel industry—the backbone of the heavy industries of Japan—was inaugurated in 1897 by the Government through the establishment of the Yawata Iron Works at Yawata, Fukuoka Prefecture. Various equipment for the production of iron and steel and facilities for rolling steel were installed, and the production of both was started in February, 1900. Before that time all the steel materials had to be imported.

Since then, however, as a result of the Russo-Japanese War and the World War, the domestic demand for steel has increased enormously. To meet the

situation, the Yawata Iron Works as well as various private firms increased their productive capacity, but demand increased so that production could not keep pace with it. Conditions were such that the quantity of iron and steel imported exceeded domestic products by a wide margin. Only in 1925, some thirty years after the establishment of the Yawata Iron Works, did the situation show an improvement.

In that year, while the actual domestic requirements for steel were 1,570,000 metric tons, domestic production amounted to 1,040,000 tons and the volume of the latter had thus become considerably larger than the quantity imported. After 1925 the demand for steel materials increased steadily, and along with it the volume of domestic production. In 1935 the domestic production amounted to 3,589,000 tons. Imports in the same year were 304,673 tons, while 432,599 tons were exported. The excess of exports over imports was thus 128,000 metric tons, and therefore, as far as quantity is concerned, Japan has now become self-sufficient with regard to steel materials.

In brief, it took nearly thirty years for Japan, after the establishment of the Yawata Iron Works, to be able to supply one-half of the country's requirements for steel with the domestic production. But once that stage was reached, only ten years sufficed for attaining the desired goal of self-sufficiency. Now that the iron and steel industry has reached self-sufficiency, it is in a position to consider introducing its products to foreign markets.

SITUATION IN PIG IRON

Since there are still 315,875 metric tons of steel materials which are imported, plans are under way to enlarge mills for increasing the output of these products. As regards pig iron, about two-thirds of the domestic requirement used to be imported during the years around 1897, but in 1916 the situation was reversed and two-thirds of the requirement was supplied domestically, which shows that the conditions of demand and supply were already greatly improved. In 1934 the quantity of pig iron imported from countries other than Manchoukuo was only 200,000 metric tons, and practically four-fifths of the total requirements in the country was supplied with home products, indicating a further improvement in the conditions of domestic production. Japan is endeavouring to become self-sufficient in pig iron as in steel materials.

IRON AND STEEL CONSOLIDATION

A plan for the merger of both governmental and private steel works, with the government-controlled Yawata Iron Works as its nucleus, was drafted in September, 1930, by the Rationalization Bureau. The merger plan was, after lengthy negotiations, only partly successful, as several companies declined to join owing to the subsequent development of prosperous conditions. The merger of one governmental iron works and six private companies was, however, effected, and on January 28, 1934, the Japan Iron Manufacturing Co., Ltd., with a capital of 359,820,000 yen, was organized. This company is the largest in the Japanese steel industry, and its imposing strength tends to overshadow all minor companies. Of its capital of 359,820,000 yen, over 284,000,000 yen or 80 per cent is invested by the Government.

PRESENT CONDITIONS

The iron and steel industry has been continuously prosperous since the fall of 1932. Especially with the founding of the neighbouring state of Manchoukuo, exports of steel materials to that country added a new stimulus to the demand.

The output of steel products in 1935 reached 3,889,000 metric tons, and showed an increase of over 504,000 tons when compared with the production of 3,385,000 tons in 1934.

The production of steel ingots and steel castings in Japan in 1934, compared with that of some other countries such as the United States, Great Britain, and the U.S.S.R., is very small, but in the rate of increase in production there is no parallel anywhere except in Russia. Although this is partly due to general industrial activities in the country as a sequence to the inflation policy pursued after the reimposition of the gold embargo and the prosperity in the ammunition industries, credit is also due the industry itself. During the depression in recent years the industry made serious endeavours to improve and adjust the internal condition of their mills, and developed thereby sufficient strength to withstand emergencies.

In 1935 the total production of steel materials amounted to 3,589,000 metric tons; 432,462 tons were exported against 315,875 tons of imports, showing an excess of 116,587 tons of exports over imports. When these are compared with the average figures for the three years just prior to the World War—production 250,000 metric tons, imports 510,000 tons, and exports barely 10,000 tons—and the average figures of the three years before the Great Earthquake—production 660,000 metric tons, imports 840,000 tons, and exports 20,000 tons—one can realize the magnitude of the development in the course of a very few years.

The above are conditions as surveyed primarily from the standpoint of quantity. If the situation is considered from the point of view of values, the trade balance of 1934 still showed an excess of imports of steel products amounting to 10,700,000 yen. With regard to iron and steel products, imports in 1934 amounted to 6,400,000 yen of unfinished products, 26,800,000 yen of pig iron, etc., the total imports in excess of these amounting to 98,200,000 yen. When all items are added together, the excess of imports amounted to 108,900,000 yen in 1934. In 1935 this excess of imports of iron and steel products further increased to 141,323,422 yen, which shows that there is still room for progress in the iron and steel industry in Japan before the country becomes fully self-sufficient.

Plans for enlarging the production of steel were completed in 1934 and 1935. They embraced seven units of steel-making furnaces (open hearth), with a total capacity of 180,000 metric tons, and twenty-one units of rolling mills which have a total capacity of 400,000 tons a year. Plans for further increase in production which will be carried out include three units of smelting furnaces with a capacity of 530,000 metric tons a year, fifteen of steel-making furnaces with a capacity of 800,000 tons, and forty-three units of rolling mills with a capacity of 480,000 tons. If these plans materialize, the production of steel is bound to show further increases.

In conclusion, looking over the production of steel in 1935, the amount produced during the first half term was 1,902,000 metric tons, which, compared with the 1,590,000 tons produced during the corresponding period of last year, showed an increase of 312,000 tons. As mentioned previously, the increase for the whole year stood at over 500,000 metric tons, and when this is compared with the increase recorded between 1933 and 1934 of about 450,000 tons, this rate of increase may serve to illustrate the developments which are taking place in Japan in the steel industry.

ECONOMIC CONDITIONS IN CENTRAL CHINA DURING 1935

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

II

TRANSPORTATION AND COMMUNICATIONS

RAILWAYS

It is in the sphere of transportation and communication that the greatest progress was made during the year. Railway construction was pressed forward at a rate unprecedented for many years. One evidence of this is the fact that imports of railway sleepers in 1935 were the largest ever recorded, amounting to 3,702,000 pieces as against 2,451,000 in 1934. Work on the Canton-Hankow Railway continued throughout the year, and it is expected that regular through service will be running by October, 1936, at the latest.

A number of other existing railways were extended or improved, and construction of several new lines planned or started. For the construction of one between the cities of Soochow and Kashing some sixty-five creosoted timber bridges were imported during the year from Canada, the bridges being assembled in British Columbia and then knocked down for shipment to Shanghai.

What little information is available at present, however, indicates that the financial position of China's railways showed little if any improvement during 1935. No progress was made with the plans mooted in 1934 for consolidating their loans, many of which are seriously in default.

HIGHWAYS

Highway construction constitutes the most spectacular advance in the field of internal transportation. It continued on an important scale in 1935. Whereas a decade ago only a few hundred miles of motor road existed in the whole of China proper, about 56,000 miles have now been built.

COMMUNICATIONS

Further development of telephone communications throughout the interior were a feature of the year and long-distance service is now available between many important towns and cities. Work was also carried on to provide radio-telephone service to Japan, the United States, and the United Kingdom. At time of writing the Japan service has come into operation, and the other two services are expected to be in operation within the current year.

AIRWAYS

Airways also underwent further development in 1935 and all principal cities in China are now linked. Commercial aviation in Central China is monopolized by two companies, the China National Aviation Corporation and the Eurasia Aviation Corporation, in both of which the National Government holds the controlling interest, the remaining share being held by a large American and a large German company respectively. Both lines added new planes of greater speed and capacity during the year.

The following figures covering the China National Aviation Corporation's operations in 1935 illustrate the progress that has been made, the figures in parentheses referring to 1929, the year in which the service was started: kilometres flown, 1,955,000 (93,000); passengers flown, 5,857,000 (106,000); kilograms of mail carried, 64,500 (3,900); passengers carried, 10,404 (354).

A direct continuous air service to Europe and the United States was still not possible in 1935, but it is understood that plans are under way to provide, perhaps this year, such service by linking China's air lines with those of Air France at the border of French Indo-China, with the Imperial Airways at Hongkong, and with the American transpacific service at Macao. In this connection the first transpacific flight made by the American *China Clipper* in November, 1935, was noted with great interest. The following facts in tabular form will furnish, without further comment, an idea of the influence which China's airways may exert in binding the country together commercially and politically:—

	Fastest Ordinary Method	Present Air Service	Proposed Improved Air Service
Shanghai to Nanking..	8 hours	2 hours	1 hour 15 minutes
Hankow..	4 days	7 hours	4 hours 15 minutes
Tsingtao	36 hours	4 hours 30 minutes	2 hours 30 minutes
Tientsin..	38 hours	8 hours	4 hours 15 minutes
Peiping..	43 hours	9 hours	4 hours 45 minutes
Foochow..	2 days	3 hours 30 minutes	.....
Canton	3-5 days	8 hours 15 minutes	.....
Hankow to Chungking	9 days	7 hours	4 hours 15 minutes
Chungking to Chengtu	2-5 days	2 hours	.....
Kweiyang	12 days	.....	2 hours
Yunnan	24 days	.....	4 hours

SHIPPING

The figures for shipping entering and clearing at Chinese ports showed an increase over 1934. The totals (entered plus cleared) of all flags at all ports of vessels engaged in both foreign and domestic carrying were 183,005 vessels (143,979,000 tons) in 1935 as against 173,083 vessels (140,474,000 tons) in 1934. The tonnage figures (entered plus cleared) of vessels engaged in *foreign* trade were as follows by flags, the figures in parentheses referring to 1934: total, 48,106,000 (44,919,000); British, 18,542,000 or 38·54 per cent (17,460,000 or 38·87 per cent); Japanese, 9,197,000 or 19·12 per cent (8,598,000 or 19·14 per cent); Chinese, 7,622,000 or 15·85 per cent (6,811,000 or 15·16 per cent); American, 3,712,000 or 7·72 per cent (3,744,000 or 8·34 per cent); German, 1,871,000 or 3·89 per cent (1,343,000 or 2·99 per cent); Norwegian, 1,839,000 or 3·82 per cent (1,759,000 or 3·92 per cent); Netherlands, 1,359,000 or 2·82 per cent (1,310,000 or 2·92 per cent); French, 1,253,000 or 2·60 per cent (1,267,000 or 2·82 per cent).

The tonnage figures for domestic trade (again entered plus cleared) were 95,873,000 in 1935 as against 95,555,000 in 1934, of which British 41,571,000 or 43 per cent (41,407,000 or 43 per cent); Chinese, 34,333,000 or 36 per cent (34,340,000 or 36 per cent); and Japanese, 12,722,000 or 13 per cent (11,541,000 or 12 per cent). The dominance of British shipping in China's domestic carrying trade is due chiefly to two great British firms established in Hongkong and Shanghai which operate large fleets of coastal and river steamers in Chinese waters.

The 48,000,000 tons of shipping engaged in foreign trade in 1935 were distributed among the leading ports as follows: Shanghai, 16·8; Canton, 6·5; Swatow, 4·1; Tsingtao, 3·6; Tientsin, 2·6; Amoy, 2·3. The Shanghai tonnage consists to a great extent of large foreign steamers, while the Canton and Swatow figures consist for the most part of small vessels running to the British colony of Hongkong.

Shanghai was brought into direct touch with South and East Africa ports during 1935 by the extension of a Dutch service which previously had its terminus at Hongkong. This line, which now maintains a monthly service with five 5,000-ton vessels, plans to put three new ships into operation before long, which

will have a speed of 17 knots with accommodation for eighty-three first-class and ninety cabin-class passengers. A well-known German line placed three newly built freight and passenger express liners on the Shanghai-Europe run during the year. It is said in shipping circles here that developments planned among the leading companies (British, German, French, Italian, Dutch, and Japanese) will make the Europe-Far East route eventually one of the most competitive shipping lanes in the world.

INDUSTRY

Although China is still only slightly industrialized as compared with other leading countries, the industrializing process continues steadily if slowly. With some important exceptions, however, industries in Central China suffered badly from the adverse conditions of the year, such as falling commodity prices, financial stringency, and the increased competition from imported products, especially Japanese, due to the rising value of the Chinese dollar up until November. Owing to the fact that most Chinese industrial concerns are undercapitalized and operate largely on borrowed money, the severe credit contraction was a particularly heavy handicap.

COTTON

Cotton spinning is the leading industry, Japanese controlling about 50 per cent, Chinese 43 per cent, and British interests 7 per cent, broadly speaking, of the total spindles in the country. Conditions were badly depressed, especially among the Chinese mills, of which twenty-four out of ninety-two went into liquidation or suspended operations. Nevertheless, the number of spindles increased from 4,498,000 in 1934 to 5,396,000 in 1935. This increased capacity was due chiefly to the erection of one large new mill and extensions to others. A China subsidiary of a large British firm commenced operations in its new dyeing and finishing plant at Shanghai, which is said to be the equal of any similar plant in the world.

FLOUR MILLING

Flour milling, one of the principal industries in Central China, is reported to have had a satisfactory year on the whole, although production had to be curtailed to a great extent in the latter half due to the lack of domestic wheat supplies plus the fact that the domestic flour market remained too depressed to permit the profitable purchase and milling of imported wheat. Production figures, available only for the first six months of 1935, totalled 37,695,000 49-pound bags as against 27,615,000 bags in the similar period of 1934. Prices ranged between \$2.25 and \$2.40 per bag from January to September, but rose to a peak of \$3.13 per bag in November. (A report on the flour trade of Central China will appear in a forthcoming issue of the *Commercial Intelligence Journal*.)

MATCH-MAKING

Conditions in the match industry appear to have been somewhat better on the whole than in 1934, but nevertheless were far from bright. Statistics available for the first six months of 1935 indicate a production of 360,700 cases (50 gross each) as against 317,500 and 395,700 cases in the first six months of 1934 and 1933 respectively. Of the 1935 output, 135,200 cases consisted of "safety" matches and 225,500 cases were lucifer matches. Prices, which had been around \$57 per case in 1934, fell to \$50 or less in 1935, but it is reported that an agreement was reached among producers to increase the price by \$3 in October and a further \$3 in November.

Conditions in this industry are of particular interest to Canada because considerable quantities of match wood are purchased from British Columbia. (A

report on the match industry of Central China will appear in the *Commercial Intelligence Journal* in the near future.)

SILK

Silk, one of China's principal industries, was the greatest outstanding exception to the general industrial depression. After a long period of severe depression it revived to a marked degree in 1935 chiefly as a result of better demand from the United States and Europe.

TEA

Tea production, another of China's traditional industries, suffered a severe decline during the year under review.

CEMENT

The cement-making industry of Central China has increased considerably in importance over the past few years, but in 1935, while total production, amounting to 3,770,000 barrels of 375 pounds, actually constituted an increase as against the 3,410,000 barrels produced in 1934, prices declined badly and there was a considerable carryover at the year's end. Prices varied, but their general tendency is shown by the drop in the quotation of one brand from around \$6 (per barrel) in the first half of the year to around \$3.50 in the second half. There was a recovery, however, in December to \$5.

TOBACCO

The tobacco industry, consisting almost entirely of cigarette manufacturing, is one of the half-dozen most important manufacturing industries in the country. It is controlled to a large extent by one well-known foreign tobacco corporation, but many Chinese companies, several of which have a large output, are engaged in the business.

Little data is available at time of writing covering the year's operations, but they undoubtedly suffered from the difficulties of the year. One evidence is that imports of leaf tobacco dropped from 65,000,000 pounds, valued at over Canadian \$10,000,000 in 1934, to 18,000,000 pounds, valued at less than Canadian \$3,000,000 in 1935.

On the basis of information available at time of writing the majority of other industries, including cigarette and rubber manufacturing, were in a depressed condition throughout the year.

NEW INDUSTRIAL PLANTS

A number of new industrial plants were begun or completed in Shanghai during 1935, although it is probable that most of these were decided upon in the preceding year or earlier. Two larger and two smaller woollen mills were completed. A large modern paint and varnish factory began operations, controlled and managed by important British interests. A new modern brewery having an annual capacity of 50,000,000 bottles of beer was opened by an old-established foreign brewing company, and the construction of another large brewery was begun by a newly formed British company. Chinese overseas interests in co-operation with the Ministry of Industries completed a new alcohol distillery at Shanghai in April, 1935, having a production of 7,000 gallons per day with provision for doubling the output without plant extension.

Steady progress is reported to have been made with the plans of the Ministry of Industry to develop a state-owned machine and tool manufacturing plant near Shanghai. This was begun in 1934 with a loan of £494,000 from the

British Boxer Indemnity Fund. The plant is intended to produce dynamos, laboratory equipment, printing machines, pumps, tubes, and other small machines. At Nanking a privately owned ammonium-sulphate plant was begun during the year under review. It is said that this plant is capitalized at \$5,500,000, and that it will have an annual capacity of 50,000 tons. (See "Central China Market for Fertilizers," *Commercial Intelligence Journal* No. 1669: January 25, 1936.)

The efforts by certain interests to promote the establishment of a newsprint plant in Central China (at Wenchow on the coast of Chekiang province, between 300 and 400 miles south of Shanghai by sea), already mentioned in previous reports from this office, continued in 1935. The plans proposed contemplate apparently a company capitalized at \$4,500,000, of which the Ministry of Industries would contribute \$3,900,000 and private Chinese interests, such as newspapers and publishing houses, would provide the other \$600,000. The plant would be steam-powered, and production would be 35 tons per day or roughly 12,000 tons per year. China imported nearly 130,000 tons of newsprint in 1935, of which Canada with 40 per cent was the leading supplier. (See "Central China Paper Trade," *Commercial Intelligence Journal* No. 1683, May 2, page 819; and "Foreign Trade of China, 1935," No. 1673, February 22, 1936.) Whether this plant will materialize is uncertain at present. Experienced observers state that it is uneconomic because of uncertain raw material supply and lack of hydro-electric power, and that it is likely to fail unless assisted by a heavy tariff increase on imported newsprint.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Irish Free State Reduced Import Quotas on Soap and Candles

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, the import quota on soaps for the period June 1 to November 30, 1936, has been fixed at 2,150 cwts. as against 3,270 cwts. in the previous six months' quota period, while the import quota on candles, tapers, and night lights for the same period has been fixed at 150 cwts. as against 200 cwts. in the previous six months' period.

Irish Free State Increased Duty on Jute Products

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, the import duty on jute piece-goods exceeding 4½ ounces in weight per square yard has been increased, as from April 18, 1936, from 37½ per cent ad valorem (25 per cent preferential rate) to a flat rate of 50 per cent ad valorem.

The duty on empty jute bags or sacks is also increased from 1½d. per article to 2d. per article, or 50 per cent ad valorem, whichever is the greater.

The reason for the increased duty is to afford a greater measure of protection to a new factory for the production of jute piece-goods which is shortly to be erected in Waterford.

Sections on Dumping Duty Removed from Newfoundland Revenue Act, 1935

An Act passed by the Commission of Government of Newfoundland on April 9, 1936, repealed subsections 1 to 7 inclusive of section 10 of the Revenue Act, 1935, relating to dumping duties. These repealed subsections provided for the imposition of additional special duty (dumping duty) equal to the difference between the home consumption value and the export selling price, with a maximum of 25 per cent ad valorem if goods were exported to Newfoundland at prices less than their home consumption value.

Customs Duty on Soap in Egypt

Mr. Yves Lamontagne, Canadian Trade Commissioner in Cairo, advises that under a decree imposed on February 27, 1936, hard soaps, which were previously subject as a class to a duty of 65 piastres per 100 kilos gross, are divided into two categories. Those made with pure olive oil are now dutiable at 50 piastres per 100 kilos gross (about \$1.15 per 100 pounds), while the duty on all other hard soaps remains the same as before. As previously, the importation of hard soap containing less than 40 per cent by weight of fatty acids is prohibited.

Under the new decree the reduced rate on soaps made with pure olive oil will be granted only on the condition that the outer package shall bear a stamp or mark indicating that the soap has been made in a soap factory subject to the control of the corresponding government laboratory in its country of origin, and that the said government has taken all necessary measures to prevent the mixture of the olive oil with other oils in the factory. The Customs Administration reserves the right, nevertheless, of analysing samples of each lot imported in the manner that they may think fit, with a view to satisfying themselves that the soap in question is made with pure olive oil without the addition of any other oil or grease or other saponified substance whatsoever.

Certificates of Origin for Belgium

With reference to the notice in *Commercial Intelligence Journal* No. 1676 (March 14, 1936, page 456), concerning certificates of origin for goods shipped to Belgium when such goods are transhipped en route in another European country, Mr. Maurice Bélanger, Assistant Trade Commissioner in Brussels, writes that on account of a new Belgian clearing agreement with Spain, published in the *Moniteur Belge* of April 16, the list of goods requiring such certificate has been extended to include, among other commodities: potatoes; hemp; preserved fish, crustaceans, and molluscs imported in boxes, jars, crusts, or other similar packing; fruits preserved in their own juice or by means of sugar or vinegar; cattle feeding cake; and accessories for motor vehicles.

Venezuela Removes Duty from Newsprint

The British *Board of Trade Journal* of April 16, 1936, reports that "white paper, neither sized nor gummed, not satiny" (newsprint) has been made duty free on entry into Venezuela. Previously newsprint was dutiable at 0.2818 bolivar per kilogram or about \$3.30 per 100 pounds at the current rate of exchange.

Documentation for Hungary

The Royal Hungarian Department of Overseas Trade on April 2, 1936, advised the Canadian Trade Commissioner in Hamburg that a list of goods which require a certificate of origin when entering Hungary has been published. These include sardines, raw wool, hides and skins, tanning materials and extracts, iron ore and minerals, mineral oil products, resin, shellac, old metal, raw copper and copper waste, typewriters, and automobiles. The department added that the production of certificates of origin is solely for statistical purposes in order to clearly establish the imports from foreign countries. A certificate of origin issued by any Chamber of Commerce in the British Empire will suffice.

TENDERS INVITED

Australia

Copies of tenders, specifications for which are open for inspection on application to the Department of Trade and Commerce, Ottawa, have been received from Mr. M. T. Stewart, Assistant Trade Commissioner at Melbourne, for metering equipment required by the Electric Supply Department, Town Hall, Melbourne. Tenders close on July 27, 1936.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 11

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending May 11, 1936, with the official bank rate. Quotations for the week ending May 4, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 4	Nominal Quotations in Montreal Week ending May 11	Official Bank Rate
Austria	Schilling	.1407	\$.1872	\$.1875	3½
Belgium	Belga	.1001	.1696	.1700	2
Bulgaria	Lev	.0072	.0130	.0129	6
Czechoslovakia	Krone	.0296	.0414	.0416	3
Denmark	Krone	.2680	.2215	.2219	3½
Finland	Markka	.0252	.0220	.0219	4
France	Franc	.0392	.0658	.0660	6
Germany	Reichsmark	.2382	.4025	.4041	4
Great Britain	Pound	4.8666	4.9625	4.9675	2
Greece	Drachma	.0130	.0093	.0093	7
Holland	Guilder	.4020	.6780	.6775	2½
Hungary	Pengo	.1749	.2946	.2948	4
Italy	Lira	.0526	.0790	.0787	5
Jugo-Slavia	Dinar	.0176	.0230	.0229	5
Norway	Krone	.2680	.2494	.2497	3½
Portugal	Escudo	.0442	.0450	.0452	5
Roumania	Leu	.0060	.0075	.0076	4½
Spain	Peseta	.1930	.1365	.1366	5
Sweden	Krona	.2680	.2559	.2562	2½
Switzerland	Franc	.1930	.3254	.3240	2½
United States	Dollar	1.0000	1.0006	1.0009	1½
Poland	Zloty	.1122	.1881	.1885	5
Argentina	Peso (Paper)	.4245	.3306	.3314	—
Brazil	Milreis (Paper)	.1196	.0858	.0859	—
Chile	Peso	.1217	.0506	.0500	4½
Colombia	Peso	.9733	.5702	.5703	4
Mexico	Peso	.4985	.2778	.2779	4-5
Peru	Sol	.2800	.2489	.2489	6
Venezuela	Bolivar	.1930	.2552	.2552	—
Uruguay	Peso	1.0342	.8000	.7982	—
China (Shanghai)	Dollar	.....	.2970	.2980	—
Cuba	Peso	1.0000	.9996	.9999	—
Hongkong	Dollar	.....	.3260	.3263	—
India	Rupee	.3650	.3747	.3753	3
Japan	Yen	.4985	.2902	.2902	3.29
Java	Guilder	.4020	.6813	.6804	4
Siam	Baht (Tical)	.4424	.4530	.4551	—
Straits Settlements	Dollar	.5678	.5813	.5823	—
South Africa	Pound	4.8666	4.9562	4.9612	—
British Guiana	Dollar	1.0138	1.0337	1.0350	—
Jamaica	Pound	4.8666	4.9725	4.9775	—
Other British West Indies	Dollar	1.0138	1.0337	1.0350	—
Martinique	Franc	.0392	.0658	.0660	—
Guadeloupe	Franc	.0392	.0658	.0660	—
Australia	Pound	4.8666	3.9700	3.9737	—
Egypt	Pound (100 Piastres)	4.9431	5.0925	5.0950	—
New Zealand	Pound	4.8666	4.0025	4.0050	—
Argentina	Free	Free	.2742	.2753	—
Brazil	Free	Free	.0560	.0561	—
Chile	Free	Free	.0406	.0400	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The French franc was more than ever the centre of attention for the week ended May 9. Despite an accelerated outflow of gold from Paris, and a further increase in the official bank discount rate from 5 per cent to 6 per cent, the Montreal rate on francs dropped from 6.60 cents to 6.55 cents. Coincidentally the pound sterling advanced from \$4.9486 to \$4.9837, and the premium of 0.19 per cent on New York funds was removed, returning the New York-Montreal rate to par.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Soya Bean Products.....	298	Hamburg, Germany.....	Agency.
Hosiery.....	299	Dominican Republic.....	Agency.
Neck Ties.....	300	Bussum, Holland.....	Purchase and Agency.
Dress Gloves.....	301	Bussum, Holland.....	Purchase and Agency.
Men's Hats.....	302	Bussum, Holland.....	Purchase and Agency.
Second-hand Men's Lounge Suit Coats.	303	Cape Town, South Africa..	Agency.
Pulp used in Papermaking (principally Easy Bleaching Sulphite).	304	Leith, Scotland.....	Agency.
Washboards.....	305	Cardiff, Wales.....	Purchase.
Washboards.....	306	Birmingham, England.....	Purchase and Agency.
Tent Pegs and Poles.....	307	Walsall, England.....	Purchase.
Wooden Parts for Garden Furniture.	308	Walsall, England.....	Purchase.
Rough-turned Maple Last Blocks	309	Tilburg, Holland.....	Purchase.
Canadian Spruce.....	310	Tyrone, U.S.A.....	Agency.
Fir, Spruce and Redwood Lumber.	311	New Orleans, U.S.A.....	Purchase.
Hay and Garden Rakes.....	312	Arnhem, Holland.....	Agency.
Metal Kitchen Sinks.....	313	Cheltenham, England.....	Purchase or Agency.
Refrigerator and Washing Machine Parts.	314	Cheltenham, England.....	Purchase or Agency.
Abrasive Paper.....	315	Singapore, Straits Settlements.	Purchase and Agency.
Wire Shorts.....	316	Hongkong.....	Purchase.
New Mild Steel Plate Cuttings..	317	Hongkong.....	Purchase.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, May 22; Duchess of Atholl, May 29; Duchess of York, June 5; Duchess of Richmond, June 12—all Canadian Pacific; Antonia, May 22; Andania, June 5—both Cunard-White Star Line.

To London.—Beaverburn, May 22; Beaverbrae, May 29; Beaverhill, June 5; Beaverford, June 12—all Canadian Pacific; Ascania, May 22; Aurania, May 29; Ausonia, June 5; Alaunia, June 12—all Cunard-White Star Line.

To Manchester.—Manchester Producer, May 21; Manchester Commerce, May 28; Manchester Division, June 4; Manchester Regiment, June 11—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, May 25; Norwegian, June 12—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montclare, May 23; Montrose, June 6—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—New York City, Bristol City Line, June 3.

To Glasgow.—Airthria, May 22; Athenia, May 28; Sulairia, June 5; Letitia, June 12—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnglen, May 28; Cairnross, June 11—both Cairn-Thomson Line.

To Dublin and Belfast.—Fanad Head, May 20; Kenbane Head, June 10—both Head Line (cargo accepted for Londonderry and Cork).

To Aberdeen and Hull.—Kyno, Ellerman's Wilson Line, May 23.

To Antwerp.—Brant County (calls at Dunkirk), May 22; Hada County (calls at Havre), June 2—both County Line; Beaverbrae, May 29; Beaverhill, June 5; Beaverford, June 12—all Canadian Pacific.

To Rotterdam.—Columbia, County Line, June 7.

To Hamburg.—Beaverburn, Canadian Pacific, May 22; Frankfurt (calls at Bremen), North German Lloyd Line, June 12.

To Copenhagen, Gothenburg and Baltic Ports.—Korsholm, Swedish-America-Mexico Line, May 23.

To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.—Aakre, Gardiaz Line, June 18.

To Marseilles and Genoa.—A steamer, Canada-Mediterraneo Line, June.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Olmo, June 2; Capo Lena, June 30—both Capo Line.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., May 22 and June 5.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., May 18 and June 1.

To Puerto Rico, Guadeloupe and Martinique, Barbados, Trinidad and Demerara.—Chomedy, Canadian National, May 28.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Cavalier (does not call at Hamilton or Nassau), May 22; Lady Somers, May 27—both Canadian National.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—City of Delhi, Montreal Australia New Zealand Line, May 30.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—A steamer, Montreal Australia New Zealand Line, May 22.

To Yokohama, Kobe and Osaka.—Kano Maru, Kokusai Line, May 18.

To Manila, Hongkong, Shanghai, Yokohama and Dairen.—City of Florence, Ellerman & Bucknall SS. Co., June 6.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Titan, Elder Dempster Lines Ltd., May 27.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.—City of Auckland, June 3; City of Shanghai, June 10—both Ellerman & Bucknall SS. Co.

To Colombia, Ecuador, Peru and Chile.—A steamer, Canadian National, monthly.

To Santos and Buenos Aires.—A steamer, May 23; Leto, June 6—both International Freighting Corp.

From Quebec

To Southampton.—Empress of Australia, May 30; Empress of Britain, June 12—both Canadian Pacific.

From Halifax

To Liverpool.—Newfoundland, May 26; Nova Scotia, June 13—both Furness Line.

To London.—Liberty, May 23; Artigas, June 6—both American Hampton Roads (call at Hull and Leith).

To Aberdeen, Newcastle and Hull.—Cavallo, Ellerman's Wilson Line, June 12.

To Hamburg.—Liberty, May 23; Artigas, June 6—both American Hampton Roads (call at Dundee).

To Copenhagen and Baltic Ports.—Pilsudski, May 20; Batory, June 3—both Gdynia-America Line (call at Gdynia).

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Townsend, Furness-Red Cross Line, May 18; Magnhild, Newfoundland-Canada SS. Ltd., May 19; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., May 20; Newfoundland (does not call at St. Pierre), Furness Line, May 26.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, Canadian National, May 21.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, May.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B., Pickford & Black Ltd., May 20.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Colborne, Canadian National, May 18.

To Kingston (Jamaica) and Belize (British Honduras).—Cavalier, Canadian National, May 25.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Javanese Prince, May 23; Silvercypress, June 6; Siamese Prince, June 20—all Silver-Prince Line.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, May.

From Saint John

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Canadian National, May 27.

To Kingston and Jamaican Outports.—Harboe Jensen, May 22; Crawford Ellis, May 29—both United Fruit Line.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras and Calcutta.—A steamer, American and Indian Line, May.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, May 23; Hikawa Maru, June 13; Hiye Maru, June 27—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), May 30; Empress of Asia (calls Nagasaki), June 10; Empress of Canada (calls Honolulu), June 27—all Canadian Pacific; Talthybius, May 31; Tyndareus, June 28—both Blue Funnel Line (call at Milke but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colmobo and Bombay.—Tosari, Silver-Java Line, May 30.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, May 20; Niagara, June 17—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Coast, June 15; Golden Bear, July 18—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Hauraki, May 20; Waitapu, June 6—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., June.

To Sydney, Melbourne and Adelaide.—Loch Lomond, May; King Malcolm, May; a steamer, June—all Australian Freight Line.

To London and Liverpool.—A steamer (calls at Cardiff), Reardon Smith Line, May.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, East Asiatic Co., May 28.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., June.

To Scandinavian Ports.—Margaret Johnson, June 3; Buenos Aires, Aug. 6—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—Rialto, Empire Shipping Co., May 18.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Celtic Monarch, Canadian Transport Co., May 29.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverpalm, Silver-Java Pacific Line, June 5.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Evanger, May 30; Hoyanger, June 22—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Bradburn (calls at Cardiff), Reardon Smith Line Ltd., May 18; Nyhorn (calls at Glasgow, Belfast and Manchester but not at London), Canada Shipping Co., May 22; Europa (calls at Rotterdam, Hull, Gothenburg and Copenhagen but not at Liverpool), B. L. Johnson Walton Co., May 23; Benjamin Franklin (calls at Hull and Oslo), Anglo-Canadian Shipping Co., May 24; Pacific Pioneer (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., May 25; Gregalia (calls at Glasgow), Balfour Guthrie & Co., May 29.

To United Kingdom Ports.—Nordval, May 20; Everleigh, May 20—both Anglo-Canadian Shipping Co.; Borjestad, Canadian Transport Co., May 20.

To Yokohama, Kobe and Osaka.—Talthybius (calls at Shanghai, Hongkong and Milke but not at Osaka), Dodwell & Co., Ltd., May 18.

To Shanghai.—Hartington, Ocean Shipping Co., May 25.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

**CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE
AND COMMERCE**

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

MISCELLANEOUS

- Annual Report of the Department of Trade and Commerce.** (Price 25 cents.)
- Annual Report of the Board of Grain Commissioners for Canada.** (Price 25 cents.)
- Annual Report of the Electricity and Gas Inspection Services.** (Price 10 cents.)
- Annual Report of the Weights and Measures Inspection Service.** (Price 10 cents.)
- Annual Report of Dominion Grain Research Laboratory.** (Price 10 cents.)
- List of Licensed Elevators, etc.** (Price 50 cents.)
- Motion Pictures, Catalogue of.** (Price 25 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

NOTE.—Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. Although subscribers to the Commercial Intelligence Journal are entitled to receive such reports free of charge, in all other cases their distribution is controlled by the King's Printer, who fixes a price therefor as indicated in the following list:—

- Commercial Intelligence Journal Weekly (in English and French), containing Reports of Trade Commissioners and other Commercial Information.** Annual Subscription: In Canada, \$1; single copies, 5 cents. Outside Canada, \$3.50; single copies, 10 cents.
- Australian Market for Fish Products (1931).**
- French-Canadian Homespun Industry.**
- Greece as a Market (1931).** (Price 25 cents.)
- Invoice Requirements: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.**
- Map of the World showing Trade Routes.** (1930 Edition.)
- Markets of Central America (1929).** (Price 25 cents.)
- Points for Exporters: Leaflets covering countries included in the territories assigned to Trade Commissioners are available to exporters free of charge.**
- Sweden as a Market for Canadian Products (1928).** (Price 25 cents.)
- Switzerland as a Market (1929).** (Price 25 cents.)
- Trade of the African Sub-Continent (1928).** (Price 25 cents.)
- Trade Possibilities of the Baltic States (1929).** (Price 25 cents.)
- Trading with Colombia and Venezuela (1928).** (Price 25 cents.)
- Jugoslavia as a Market (1930).** (Price 25 cents.)

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:
Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1936. (Price 25 cents.)

Canada Year Book. (Price \$1.50).

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum.)

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—see under British Malaya.)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, May 23, 1936

No. 1686



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ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, May 23, 1936

No. 1686

MOTOR VEHICLE AND TIRE TRADE IN CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

Shanghai, April 2, 1936.—While no definite figures are available, it is estimated that there are at present approximately 50,000 motor cars, trucks, and buses operating in China proper.

The combined registrations of private motor cars in the International Settlement and French Concession at Shanghai at the end of 1935 totalled 10,932. There were in addition 900 hire cars and 3,541 trucks and buses registered, which means that the foreign-controlled area of Shanghai alone accounts for approximately 30 per cent of the estimated total of cars, trucks, and buses in China at the present time.

HIGHWAYS IN CHINA

Outside of the main cities in Central China, there are practically no really hard-surfaced roads, and the relative scarcity of even dirt highways, plus the poverty of the great majority of the people themselves, restricts the demand for motor cars in comparison with Western countries. During the past decade, however, the building of highways has made considerable progress, particularly since the National Economic Council of the Central Government at Nanking took up this task.

To obtain uniformity in the construction of highways in the various provinces, and to link up the various road systems, the National Economic Council has assisted in the drawing up of detailed plans, established engineering standards, and prepared estimates.

The construction of new roads continued on an important scale during 1935, and at the end of the year the National Economic Council estimated that there were approximately 56,000 miles of either dirt or macadamized roads completed in this country. The current programs under way in various sections, and the plans of the Central Government and various provincial governments for projected highways, should result in a steady increase in the year to year demand for automotive products in China.

MOTOR CARS

Motor cars are not shown separately in the import statistics, but are included with buses and chassis. The total imports for the past three years to China proper under this grouping, along with the chief sources of supply, are given below:—

	1933		1934		1935	
	No. of Cars	G.U.	No. of Cars	G.U.	No. of Cars	G.U.
Total	2,858	3,526,931	3,587	3,848,311	2,835	2,988,333
Canada	21	23,510	13	11,454	42	40,407
France	75	108,467	81	107,131	47	54,030
Germany.. . . .	90	179,572	71	185,827	84	152,794
Great Britain ..	669	842,088	301	313,552	349	326,316
Italy	100	129,820	100	75,470	103	80,686
United States ..	1,923	2,300,789	3,014	3,190,561	2,200	2,346,769

Average value of gold unit: 1933, Can.\$0.52; 1934, Can.\$0.66; 1935, Can.\$0.68.

Taking the average for the three-year period according to units imported, Shanghai accounted for 76 per cent of the total imports into China.

PARTS AND ACCESSORIES

Imports of motor car parts and accessories for the past three years have been as follows:—

	1933	1934	1935
	Gold Units	Gold Units	Gold Units
Total	821,086	950,814	983,569
France	41,829	17,653	18,317
Germany	31,477	61,364	49,256
Great Britain	90,567	59,723	52,421
Japan	51,253	73,938	68,773
United States	595,652	755,170	801,348

Shanghai imported an average of 61 per cent of the total imports of parts and accessories during the years recorded above.

REASONS FOR REDUCED IMPORTS

The reduced imports in 1935 reflect the lessened demand resulting from the serious financial depression through which this country, and Shanghai in particular, was passing during the past year. An added factor which has adversely affected sales in this market in recent months has been the higher exchange rates prevailing since China abandoned the silver standard and established a managed currency system in November last. As a result, retail car prices are now somewhere around 25 per cent higher than during most of 1935.

SOURCES OF SUPPLY

The United States is at present outstandingly the largest supplier of automobiles to this market, and the majority of motor car dealers in Shanghai are under American management. Two or three British light-weight makes and one Italian car have made some progress in this market against American competition. In this connection it is understood that when Great Britain went off the gold standard in 1931 exchange rates favoured the sale of English cars. In more recent years, however, the relatively higher initial cost of English and other European cars, plus the high charges for spare parts in comparison with those of American makes, has reacted to the advantage of the latter. Further, it is reported that the service given on American cars is better than in the case of European makes.

IMPORT DUTY

The duty on motor cars entering China is 30 per cent ad valorem, and there is no preference granted to any country. Accordingly, the small volume of cars imported from Canada as recorded in the above table chiefly represents sales to private individuals, particularly those of British nationality who wish to have an American-type car but one manufactured within the British Empire. In addition, occasional shipments may be made for some special reason by a Canadian branch plant under instructions from the parent company in the United States.

TYPES OF CARS IN DEMAND

According to the figures of the International Settlement of Shanghai issued at the end of 1935, the ten leading makes of cars by registration figures in the order of importance were as follows: Ford, Austin, Buick, Chevrolet, Fiat, Morris Cowley, Studebaker, Plymouth, Dodge, and Essex.

The demand for passenger cars in Shanghai is almost entirely for the closed models, particularly the four-door sedans. The four-door closed model is more popular than the two-door type, as the majority of cars are chauffeur driven. Four-door sedans are also used as taxis.

The low-priced car predominates. Several factors have encouraged the demand for the lighter-weight cheap car during recent years. To begin with, although gasoline and oil prices vary according to districts, taking China as a whole the prices are much higher than in Canada. Again, the advent of the depression has forced many senior executives, particularly among the foreign firms operating in China, to go in for cheaper cars; and finally, as far as Shanghai is concerned, the system of assessing the cost of car licences by weight has placed a premium on the sale of the smaller types.

LICENSING CHARGES

For example, at present Ford cars, the lighter Chevrolet models, and Plymouths weighing under 3,000 pounds are assessed at Shanghai \$96 (approximately Canadian \$29) per annum for a licence, and a car weighing over 3,000 pounds, such as the Buick, Dodge, and Hudson, at Shanghai \$136 per annum (approximately Canadian \$41). This system discourages the purchase of older second-hand cars in heavier weights.

The above licensing system applies to the International Settlement of Shanghai and the French Concession, and a licence plate obtained from either authority entitles the car to be driven in both territories. To operate a car outside of these two areas—that is to say, to enter the Chinese city of Shanghai or the interior—an additional licence is required from the Chinese authorities. The minimum charge for such a licence works out at slightly below the cost of the joint licence issued by the two foreign authorities in Shanghai.

Outside of Shanghai in other parts of Central China one licence plate only is required—that is to say, the one issued by the Chinese authorities—and the charges for these licences in such centres as Hankow, Nanking, etc., are less than for Shanghai.

It is estimated that about 80 per cent of the cars in Shanghai belong to Chinese owners. It is understood that over 85 per cent of all sales made are based on trade-ins, and that the foreign population have tended in recent years more towards the purchase of second-hand cars; on the other hand, the Chinese seem more disposed to pay the extra cost for newer models.

There is a considerable demand for second-hand cars in many parts of the interior among buyers who cannot afford new cars. This factor to some extent assists in solving the used-car problem in Shanghai.

SELLING PERIODS AND TERMS

The best selling periods at Shanghai are the spring and summer months, sales falling off from September onwards until the arrival of the new models.

Selling terms vary, but, broadly speaking, most dealers will sell retail for one-third cash, the balance being paid within twelve months. Longer terms have been extended in previous years, but there has been a tendency, due to the financial stringency, for dealers to restrict the granting of credit.

TAXI SERVICES

In addition to privately owned cars, there are a number of taxi companies operating fleets in Shanghai. At present there are 900 hire cars registered in the International Settlement and French Concession. These taxis do not operate on meters, but have an established minimum charge of \$1 Shanghai currency for twenty minutes, which allows sufficient time to reach almost any part of the foreign section of Shanghai.

Up to a few years ago taxi charges were very much higher, but the competition and reduced purchasing power of users has brought down the rates,

and several companies have as a result been forced out of business. The most popular in Shanghai are Fords and Chevrolets, two or three companies operating exclusively fleets of one or the other make.

COST OF GASOLENE

The cost of gasoline in Shanghai at present is \$1 Shanghai currency (Canadian \$0.30) per American gallon (one American gallon equals 0.83 imperial gallon), and the city is well equipped with modern service stations. In the interior the price is much higher, dependent upon the district, in some places gasoline costing \$2 Shanghai currency or over per gallon.

Up to comparatively recent years, in spite of the greater gasoline consumption of the larger cars, in certain districts where spare parts were not readily obtainable there was a tendency to purchase the heavier, strongly built cars which would stand up against bad road conditions rather than the lighter types. This situation has been changing recently, however, and the high cost of gasoline and oil is now favouring the purchase of light-weight cars, which are more economical to operate.

TRUCKS

There are no separate statistics showing the importation of trucks. By comparison with Western countries there is only a limited demand for trucks in China, owing to the relative lack of highways in the country plus the cheap cost of transport by coolie labour. At the same time the demand for trucks in the interior is understood to be growing steadily with the development of new motor roads, and large purchases of trucks are made from time to time by the national and provincial governments for military and other purposes.

In the city of Shanghai the leading types of light trucks are the Chevrolet and Ford, with the Bedford, Reo, and G.M.C. the more popular makes in the medium- and heavier-weight classes. There is very little demand for second-hand trucks owing to the carelessness of Chinese drivers in over-loading and in general giving them such hard service that the trade-in value is very small after comparatively short usage.

Bodies for trucks are almost entirely made locally; only the chassis as a rule is imported. There are three or four firms in Shanghai turning out truck and bus bodies on a fairly substantial scale, and there are a number of small body builders as well both in this city and spread throughout the interior.

BUSES

There are a large number of bus services in operation throughout Central China, mainly under the control of provincial or municipal governments. In Shanghai one large privately-owned bus company is operating at present a fleet of approximately 170 buses throughout the city. This company uses chiefly Tilling Stevens, Dodge, Thornycroft, and Bedford chassis. There are in addition from three to four regular bus services operating from the outskirts of Shanghai to nearby centres.

DISTRIBUTION

There are some twelve recognized car dealers in Shanghai. These firms import for their own account and sell direct to the public. Most of the business placed with overseas manufacturers is on a letter-of-credit basis. Agencies are usually grouped, with one dealer having the sale of several makes under the control of one parent organization such as General Motors, Chrysler, Morris, and Hudson-Essex. Several dealers in Shanghai have the exclusive rights for all China or certain parts of China, and accordingly maintain branches or sub-

agents in other cities. There are no foreign manufacturers maintaining assembly plants in China, but Ford and General Motors do a certain amount of warehousing in bond at Shanghai for distribution to other parts under the supervision of factory representatives working with the dealer organizations in China.

SERVICE

All the main dealers in Shanghai maintain service and repair departments. In addition there are a few foreign-operated repair shops, and a number of small Chinese garages engaged in the repair business in this city. Such firms usually obtain their parts requirements from the main dealers' stocks.

MOTOR CAR TIRES

Whereas Canada is so far a minor factor in the motor car trade of this territory, the Dominion has been a very considerable exporter of motor car tires and tubes to the Chinese market, as will be seen from the following tables of imports during the past three years:—

	1933		1934		1935	
	No. of Tires	G.U.	No. of Tires	G.U.	No. of Tires	G.U.
Total	60,274	1,496,750	73,105	1,481,153	54,311	995,729
Canada	6,172	153,701	16,175	362,581	10,195	190,792
Great Britain	15,532	395,795	14,276	320,850	12,939	264,887
Japan	9,403	199,063	21,160	314,930	20,252	266,042
United States	23,889	624,603	18,631	432,071	10,967	269,226

Prior to 1935 there were no separate figures for automobile tires imported into Shanghai, this item in previous years being included along with inner tubes. The 1935 figures, however, reveal that Shanghai accounted for approximately 62 per cent of the total imports of automobile tires into China.

Imports of Inner Tubes

	1933		1934		1935	
	No. of Tubes	G.U.	No. of Tubes	G.U.	No. of Tubes	G.U.
Total	58,445	203,328	61,756	154,487	51,974	121,504
Canada	4,800	16,768	11,365	31,514	5,664	14,271
Great Britain	5,986	22,349	6,223	19,822	7,484	19,444
Japan	22,773	71,583	25,006	55,526	25,158	49,329
United States	20,785	80,445	17,181	42,864	13,515	37,335

The 1935 figures show that Shanghai accounted for approximately 58 per cent of the total imports of inner tubes into China.

POSITION OF JAPAN IN THE MARKET

The dominating position of Japan reflected above can be appreciated when it is realized how extensively the tire industry has been developed in that country. There are now seven large tire manufacturing companies operating in Japan, of which two were established by the Goodrich and Dunlop companies respectively. While total imports declined in 1935 by comparison with the previous year owing to reduced demand, the above figures show that Japanese tire companies have been steadily gaining ground in this market during the last three years at the expense of factories in other countries.

As evidence of the keen competition from Japan, it is reported that Japanese dealers have been able to buy tires in that country and resell them in this market at prices considerably below the quotations of English, American, or Canadian manufacturers to their distributors in China. To some extent Japanese competition has been aided in recent years by the relative cheapness of the yen in terms of Chinese currency.

An additional factor has been the reported smuggling of Japanese tires into North China without payment of duty. There is reason to believe that there is a considerable importation of contraband tires reaching this market through North China. (The duty on tires and inner tubes imported into China is 25 per cent ad valorem.)

Practically all the foreign tire companies (apart from Japanese) who formerly maintained factory representatives in China, usually working with main distributors, have withdrawn their personnel; the only firm now maintaining a branch establishment in China is the Dunlop company. Other foreign tire companies still in this market are now handling their business through distributing agents.

BICYCLES AND TIRES

Bicycles are quite popular in Chinese cities, where they are used extensively by messenger boys, coolies, and servants. By far the largest proportion are imported from Japan at very low prices; with Great Britain enjoying a small percentage of the business. Similarly, cheap tires for bicycles and rickshaws are mainly imported from Japan, as will be seen from the following table:—

	1933		1934		1935	
	No. of Tires	G.U.	No. of Tires	G.U.	No. of Tires	G.U.
Total	1,015,265	1,143,723	908,427	775,613	864,413	897,662
Japan	928,570	1,040,044	864,018	724,890	835,953	864,684
Great Britain . . .	44,809	44,223	30,372	31,430	25,071	28,009
United States. . . .	830	2,474	7,146	9,843	1,533	1,828

ECONOMIC CONDITIONS IN HONGKONG AND SOUTH CHINA, 1935

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

Hongkong, April 15, 1936.—The most significant economic changes in Hongkong and South China during 1935 have been in the field of banking, where the traditional silver backing of the Chinese national dollar and its South China counterparts has been discarded in favour of a managed paper currency supported by the general credits of the issuing authorities. The tendency towards co-operation between the Nanking Government and that of the provinces of Kwangtung and Kwangsai has been emphasized by the stabilization of the dollar at a nominal parity to the Nanking dollar. The parity has not been maintained recently, but in a substantial fashion the dollar of the southern provinces has become interchangeable with that of the Central Government.

NEW "THREE-YEAR PLAN"

The policy of national self-sufficiency, as indicated in the first three-year plan of the Southwest Political Party, has been continued with the announcement of a second three-year plan to follow, the object being to bring about complete nationalization of commerce, trade, and industry. At the close of 1935, with the termination of the first three-year plan, the province of Kwangtung had extended permanent state control and supervision into the following fields of private enterprise: agriculture and forestry; industrial development; commerce; mining; transportation and communication; navigation; and construction.

The more immediate significance of the national self-sufficiency movement entering on a further stage has been the mounting level of provincial import taxes which, in conjunction with the advance in levels of the Chinese Maritime Customs duties, have combined to make the South China market more selective,

and one wherein products appearing as items of import trade are no longer freely purchased against present need.

Commercially, the year 1935 has proved disappointing to the trading community of the Colony of Hongkong. The extension of the self-sufficiency policy in South China has further curtailed the activities of the importer, while the monopolization of major exports has restricted the field for local export interests to the extent where not only are many of the individual companies of long standing in precarious circumstances, but where the banking institutions providing the financial support of the trading community have incurred such quantities of frozen assets that assistance can no longer be extended even to legitimate business ventures.

The insecurity in the position of the commercial interests was marked during March and April, 1935, by the suspension of activities by the internationally known Bank of Canton, the National Commercial Savings Bank, and the Ka Wah Savings Bank; repercussions included runs on other banks, whose position was maintained only by removal from commercial practice and by the liquidation of assets at the expense of the trading community seeking accommodation.

The European banking institutions remained in a sound position and were able to restrict, though not to isolate, the basic feeling of insecurity which during the summer months resulted in a complete stagnation of trade. In the field of imports, products for which stocks have been carried for the past twenty years were no longer considered as suitable trading risks, and the market practice reverted to the earlier and less satisfactory indent basis. Though further restricting the immediate volume of imports, there lies in this present practice the elements for a large expansion of imports when the crisis period of the depression has passed.

SHIPPING

During the 1935 period, shipping returns from both transpacific and coastal runs have failed to materially improve from the disastrous levels of 1934, which established a low level of remuneration for many years.

The closing months of the year have been marked by a scarcity of freight space, which was in the main occupied by cargo travelling at cheap rates to the detriment of the already gravely restricted revenues of the steamship companies. Of particular interest was the elimination of Vancouver as a port of call by one United States line, which has left only two freight-carrying lines operating a regular schedule from that port. In so far as the interests of one line lies in high-rate cargo, direct freight service in raw products and cheaper bulk goods has been reduced by 50 per cent.

With the exception of wolfram ore and wood oil, shipments of almost all export cargoes have declined in tonnage and net returns. Raw silk exports to France decreased notably, while shipments to India, Malaya, and Java were increasingly restricted both by high exchange and intensified competition from products of Japanese origin. Trade with the Straits Settlements was particularly poor, with tonnage declining progressively until December.

The continued retrenchment by commercial firms in Hongkong has affected the outport shipping trade. To all shipowners who are operating on schedule, trip, or time-charter, 1935 proved even more unfavourable than the previous year. All the local runs are over-serviced, and owing to the universal decline in the value of tonnage offering and the specialized type of boat in use, it is impossible to liquidate the capital invested in vessels. Services, therefore, are being continued with competition aggravated among competing lines for the volume of cargo moving, which in general does not exceed 35 per cent of what it was in 1931.

BUILDING

This trade has not materially altered its position during the past year, but has suffered through the completion of several large commercial and industrial undertakings without the initiation of further work of anything like the same magnitude. Government building has been maintained, with several large projects begun in continuance of the regular building program. These developments, though of considerable size, are not in themselves sufficient to offset the decrease in private and commercial initiative.

JAPANESE GOVERNMENT MONOPOLIES

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(The information contained in this report is taken from Mitsubishi's *Monthly Circular*)

Tokyo, April 17, 1936.—Tobacco, salt, and camphor are state monopolies in Japan proper. Every process of production up to sales is a complete monopoly as far as tobacco is concerned, but salt and camphor are sales monopolies only.

According to the provisions of the Tobacco Monopoly Act, tobacco is manufactured at government factories and the product is sold at fixed prices to retail dealers by the Government. Up to 1931 wholesale business was open to private enterprise and licensed by the Government, but during 1931 it was placed under the direct management of the Government.

The salt monopoly was established in June, 1905. This monopoly is at present carried on for social rather than financial reasons, although it originated as a means of increasing revenue.

The Camphor Monopoly Act was first put into force in Formosa only, but was introduced into Japan proper and Formosa in 1903 under the Crude Camphor and Camphor Oil Monopoly Act. Manufacturers of crude camphor and camphor oil must be authorized by the Government, and manufactured products are purchased by the Government against compensation. Japanese camphor was at one time largely exported to Europe and North America, but because of the great developments in the celluloid industry, the domestic consumption has now reached huge proportions. Profits are gradually increasing, but are small as compared to those of the tobacco monopoly.

MONOPOLY BUREAU

The three monopolies were placed under the management of the Monopoly Bureau in the Ministry of Finance in 1907.

The fixed capital of the Monopoly Bureau has shown a gradual increase. Assets in the fiscal year 1932-33 amounted to 72.9 million yen, and consisted of landed property, 39.2 per cent; buildings, 32.1; equipment, 17.7; and machinery, 7.3 per cent. The average profit for the past five years amounted to more than 175 million yen, the profit ratio to fixed and floating capital being as high as 216.1 per cent.

The tobacco monopoly is the most important, proceeds reaching 278 million yen on the average for the five years ended in 1932-33.

The annual sales from the salt monopoly totalled 43.7 million yen; camphor sales, 4.7 million yen. According to the working regulations of the Monopoly Bureau, net profits are transferred to ordinary revenue of the general account in the national budget. Ordinary revenue for the five years ended in 1933 averaged 1.379 million yen, including monopoly profits of 185 million yen, which thus contributes more than 13 per cent of ordinary revenue. In the 1934-35

Budget monopoly profits were estimated at 195 million yen or 14.7 per cent of total revenue.

In Japanese dependencies monopolies also exist, viz: tobacco (since 1909) in Karafuto; ginseng (1920), tobacco (1921), salt, and opium in Chosen; and opium (1897), camphor (1899), table salt (1899), tobacco (1905), and wines (1922) in Formosa.

IRON AND STEEL ALLOYS SITUATION IN JAPAN

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Tokyo, April 22, 1936.—Because of recent developments in the Japanese iron and steel industry as the result of a "boom" created by an increased demand for war materials which has necessitated the laying down of more delicate machinery, there has arisen a demand for special types of iron and steel products produced from various kinds of high-grade iron and steel alloys.

It is understood that the present capacity of iron and steel mills in Japan amounts to nearly 4,500,000 metric tons a year, and this is produced from over 130 blast furnaces. It is expected that production in 1936 will be increased to approximately 4,700,000 metric tons.

On the other hand, the production of machines in Japan—no accurate statistics are available—is estimated at more than 250,000,000 yen in recent years, and it is increasing. Because of strained international relations at the present time an increase in armament machinery production is anticipated in the current year.

The present production of iron and steel alloys, which amounts to approximately 50,000 metric tons a year, appears to be sufficient to meet the requirements of Japan, but certain types of high-grade iron and steel alloys must still be imported. Great Britain, Germany, Sweden, and the United States are the sources of supply. Supplies of ferro-silicon, ferro-manganese, and spiegeleisen, which are in general use in iron and steel factories, are self-sufficient, but such alloys as ferro-chrome, ferro-tungsten, and ferro-molybdenum, used in the manufacture of special kinds of steels, have to be imported. It is of interest to note that consumption of these alloys has increased considerably, particularly those containing a high percentage of pure metal. This is due, as has already been stated, to an increased demand for special kinds of steels for use in the production of fine machinery.

PRODUCTION

Ferro-manganese, with a volume of 1,413 metric tons, was first produced in Japan in 1912. It was only in 1917, owing to the difficulties of obtaining supplies from Europe and America due to the War, that the production of various kinds of iron and steel alloys was undertaken. Since then there has been an annual increase except in 1931, when the total production, due principally to a decline in ferro-manganese, dropped considerably. It is believed that 1935 showed a substantial increase, reaching probably 50,000 metric tons, and that 1936 will show an even greater increase.

Production of Iron and Steel Alloys

	1930	1931	1932	1933	1934
	Figures in Metric Tons				
Ferro-manganese	18,984	10,637	17,985	23,026	29,364
Spiegeleisen	600	426	.....	428	292
Ferro-silicon	5,094	4,103	4,883	7,622	11,726
Ferro-chrome	305	218	1,126	1,480	2,286
Ferro-tungsten . . . . .	.....	32	53	26	232
Ferro-molybdenum	20	21	85	286	132
Other	594	1,409	1,784	118	185
Total	25,597	16,846	25,916	32,986	44,217

GOVERNMENT SUBSIDIES

The Japanese Government, in order to encourage the domestic production of ferro-chrome and ferro-molybdenum, has granted subsidies to certain companies. In 1927 the Ogaki Electro-Metallurgical Industry Company received a subsidy from the Government, and in the following year completed their researches and are at present producing ferro-molybdenum of a purity of over 40 per cent, 50 per cent, 60 per cent, and 70 per cent respectively, which they supply to the Yawata Government Iron Works, Naval Arsenal, and certain other companies.

With reference to the production of ferro-chrome, the Chichibu Electric Industry Company (absorbed by the Japan Electric Industry Company in September, 1934) were in 1932 granted a subsidy from the Government for an economic study of the production of low carbon ferro-chrome below 0.03 per cent of carbon, below 0.5 per cent silicon, and over 65 per cent chrome. The Government aids to the industry appear to have been most successful in improving these alloys, and also in considerably diminishing importations from abroad.

IMPORTS

Imports of iron and steel alloys, consisting principally of ferro-manganese, ferro-silicon, silico-spiegeleisen, and ferro-chrome, have tended to decline annually. In 1927, 5,055 metric tons valued at 1,021,122 yen were imported; in 1935 the figure was 243 tons valued at 625,940 yen. The quantity imported in 1935 when compared with that of ten years ago corresponds to only 5 per cent. Great Britain, Germany, Sweden, and the United States are the chief sources of supply.

The import duty on these alloys is 10 per cent ad valorem.

Ferro-silicon, ferro-manganese, and ferro-titanium are exported to the United States, Australia, Manchuria, and European countries, but the tonnage and value is not sufficiently large to be entered separately in the statistics.

MARKET IN JAPAN FOR BEEF TALLOW

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1933 was 28 cents, and in 1934 30 cents, Canadian funds)

Kobe, April 6, 1936.—Owing to the fact that cattle-raising is a comparatively small and unimportant industry in Japan, the production of tallow in this country is not sufficient to meet the demand. The latest official statistics available give the production of tallow at 2,798 short tons valued at 859,306 yen for 1933. Figures for 1934 and 1935 are not yet available. It is not anticipated that any great increase has been made during these years. As a result, most of the tallow used is imported. The following table shows the quantity and value of these imports during 1933 and 1934, together with countries of origin:—

	1934		1933	
	Quantity 100 Lbs.	Value Yen	Quantity 100 Lbs.	Value Yen
Manchukuo.. . . .	533	4,465	1,189	10,982
China	6	78	421	5,100
Great Britain	51	1,613	80	2,770
United States	41,571	560,832	10,007	139,146
Canada	684	8,325	.....	.....
Argentina	1,687	24,336	32	530
Brazil	137	2,164	.....	.....
Uruguay	21	261	.....	.....
Australia	188,087	2,588,439	228,982	3,250,746
New Zealand	14,521	189,647	157	2,260
	247,298	3,380,160	240,868	3,411,534

Australia's proportion in terms of quantity, as shown in the above table, was 77 per cent in 1934 and 95 per cent in 1933. Canada has never secured a large share of the tallow business, but 1934 shipments amounted to 68,400 pounds valued at 8,325 yen.

PRICES

The latest quotation from Australia for "prime mixed" quality is 28·50 yen (Can.\$8.26 at 29 cents to the yen) per 100 kin (132 pounds) c.i.f. Japanese ports. During the year 1935 the highest price quoted from Australia was 34 yen per 100 kin and the lowest 26 yen c.i.f. Prices go up when the United States and the United Kingdom begin buying in Australia. Buyers in Japan suspend the placing of orders when prices are too high and use substitutes. Business at present is very dull owing to high prices.

PACKING

Supplies from Australia have usually arrived packed in drums, with an occasional shipment in wooden barrels. The former type is preferred by importers as it is possible to sell the drums at a small profit.

USES

Approximately 90 per cent of the imported beef tallow is used in the manufacture of toilet soap. Imports are expected to decrease in future due to the increasing use of hardened oils in soap-making. Beef tallow as well as hardened oil is used for the manufacture of toilet soap, but in the case of laundry soap hardened oil is used exclusively. For the manufacture of high-grade soap, however, it is anticipated that tallow will continue to be used in considerable quantities.

Any Canadian firm interested in this business should submit samples of their various grades that can be exported, together with prices, to the office of the Canadian Trade Commissioner in Kobe. Only a small sample is required, approximately half a pound being sufficient. Representative samples should be submitted so that orders may be given for supplies of the same quality.

MR. PALMER'S TOUR IN CANADA

Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City, whose territory comprises Mexico, Guatemala, Honduras, and Salvador, is making a tour of the principal centres of Canada in the interest of Canadian trade with these countries. Following is his itinerary as at present arranged:—

Montreal and Granby	May 26 to June 5
Halifax	June 8 and 9
Saint John	June 10
Sherbrooke	June 12
Montreal	June 15 to 17
Toronto and Mimico	June 18 to 27
Guelph	June 29

Firms who wish to be brought in touch with Mr. Palmer should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

**CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF APRIL AND FOUR MONTHS ENDED
APRIL 30, 1935 AND 1936)**

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of April				Four months ended April				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....	3	18	2	16	14	73	261	1,193	25c. per bu. 50 lbs.	15c. per bu. 50 lbs.
Grain products—										
Bran, shorts and middlings.....	229,433	253,955	90,748	75,019	1,047,268	1,291,269	444,277	377,165	10% ad. val.	10% ad. val.
Cereal foods, prepared, all kinds.....		3,393		4,748		18,673		27,059	20% ad. val.	15% ad. val.
Screenings.....	24,443	15,801	10,913	2,249	180,798	124,956	79,735	19,840	10% ad. val.	10% ad. val.
Hay.....	8,158	77,363	522	3,023	55,379	544,681	2,340	16,963	\$ per ton (2,000 lbs.)	\$3 per ton (2,000 lbs.)
Maple sugar.....	54,015	6,036	180,739	27,732	362,356	46,822	2,743,488	491,616	6c. per lb.	4c. per lb.
Seeds—										
Clover seed, alfalfa.....	4	55	305	3,476	944	11,837	928	9,793	8c. per lb.	4c. per lb.
Clover seed, alsike.....			132	1,442	12	88	312	2,905	8c. per lb.	4c. per lb.
Grass seed.....	16,662	113,465	7,392	10,391	59,043	373,743	39,911	40,783	2c. per lb. (mainly timothy).	1c. per lb.
Vegetables—										
Certified seed potatoes (a).....			20,698	17,600					75c. per 100 lbs.	45c. per 100 lbs., Mar. 1 to Nov. 30, if certified seed.
Potatoes, n.o.p.....	24,422	6,816	63,536	54,557	94,405	34,525	223,736	197,184	75c. per 100 lbs.	75c. per 100 lbs.
Turnips.....	84,524	17,820	87,288	33,234	804,656	173,993	1,152,781	355,317	25c. per 100 lbs.	12½c. per 100 lbs.
Whiskey.....	197,742	1,109,697	333,763	1,489,052	542,768	3,020,927	1,372,519	6,855,400	\$5 per pt. gal.	\$2.50 per pt. gal. if aged in wooden containers for at least four years.
									\$5 per pt. gal. if otherwise.	
ANIMALS AND ANIMAL PRODUCTS										
Animals, living—										
Dairy cattle—										
Weighting 175 to 700 lbs. (a).....	554	34,870	54	2,415	1,224	77,165	1,291	76,336	2½c. per lb., 175 to 700 lbs.	2½c. per lb., 175 to 700 lbs.
Weighting over 700 lbs. (a).....			230	16,806					3c. per lb. if over 700 lbs.	3c. per lb. if over 700 lbs.
										on imports in excess of 20,000 head during any calendar year.

Cattle, n.o.p.—

Cattle, H.O.P. —	Weighting less than 175 lbs. (a)	No.
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12
13	13	13
14	14	14
15	15	15
16	16	16
17	17	17
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89	89	89
90	90	90
91	91	91
92	92	92
93	93	93
94	94	94
95	95	95
96	96	96
97	97	97
98	98	98
99	99	99
100	100	100

Weighing 175 to 700 lbs. (a).....No.

Weighing over 700 lbs. (a).....No.

Horses, n.o.p.	No.
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
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90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

Poultry, n.o.p.....No.

Fish, fresh and frozen—

Clams, fresh

Fels, fresh am

Halibut, tres.
Herring sea

Salmon or lake

Lobsters, fresh.

Oysters, fresh
Salmon, fresh

Salmon, fresh
Smelts, fresh

Swordfish, ir

Tulipes fragilis

Alewives, sal
Herring 309

meeting, see,

Salmon, pick

Fish, canned—

Clams, canne

—

Lobsters, can
Fur skins undr

Muskat
Wolf

Leather—

Harness leather

Patent leather

(a) Not sep

(a) Not separately shown prior to April 1, 1936.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of April				Four months ended April				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Meats—										
Poultry, dressed or undressed .....Lb.	1,335	\$ 297	1,836	\$ 486	26,422	\$ 4,898	8,418	\$ 2,004	10c. per lb., if chickens and guineas.	8c. per lb., if chickens and guineas.
Milk products—										
Cheese.....Cwt.	478	7,401	3,826	52,900	1,137	20,928	30,944	407,358	7c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves;	5c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves;
Cream.....Gal.			1,330	1,838			2,730	3,871	56-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.	7c. per lb., but not less than 35% ad val., if other kinds of cheese.
Wood, Wood Products and Paper										
Wood and products—										
Bolts—Shingles of pine or cedar.....Cord					77	299	42	173	Free.	Free.
Firewood.....M	1,945	9,571	2,832	10,001	18,274	84,081	16,914	72,341	Free.	Free.
Laths.....M	14,391	33,768	13,343	40,470	48,747	109,085	55,647	160,526	Free.	Free.
Logs.....M ft.	3,681	32,373	4,601	49,790	24,020	230,425	20,236	226,350	Free.	Free.
Masts and spars.....							53		\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch;	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch;
Pickets.....M									Free, if other kinds.	Free, if other kinds.
Piling.....Lin. ft.	11,690	1,559	73	1,197	2,569	20,954	1,248	7,816	Free.	Free.
Planks and boards—									50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch;	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch;
Flooring of hardwood.....M ft.	21	1,026	8	304	223	9,827	128	5,885	Free, if other kinds.	Free, if other kinds.
Lumber, softwood.....M ft.	15,833	396,873	40,806	891,103	67,758	1,642,771	144,289	3,227,570	8% ad val., and \$3 per M ft. b.m., Revenue Tax if fir, spruce, pine, hemlock or larch; (a)	4% ad val., and \$1.50 per M ft. b.m., Revenue Tax if fir, spruce, pine, hemlock or larch; (a)
Lumber, hardwood.....M ft.	512	23,380	1,833	64,278	3,920	145,545	8,911	307,816	Free, but subject to \$3 per M ft. b.m., Revenue Tax.	Free, but subject to \$3 per M ft. b.m., Revenue Tax.
Poles—										
Telegraph and telephone.....No.	10,881	33,207	8,818	24,091	61,075	171,255	51,677	153,579	Free.	Free.
Other poles.....No.		152		659		1,748		25,656	Free.	Free.
Posts, fence.....No.	45,329	4,169	68,084	6,517	100,822	8,985	170,311	14,305	Free.	Free.
Pulpwood.....Cord	23,872	140,419	25,680	153,916	194,297	1,108,906	174,507	1,024,453	Free.	Free.
Railroad ties.....No	13,091	8,113	6,407	4,316	22,329	12,798	34,784	22,623	Free.	Free.
Shingles.....Square	170,854	408,795	147,953	392,650	493,805	1,189,298	577,360	1,510,823	Free.	Free.
Staves and headings.....				173		21,353		237	Free, if staves; 33 1/3% ad val. if headings.	Free, if staves; 33 1/3% ad val. if headings.

Timber, square— Softwood.....	M ft.	80	1,264	72	1,510	291	6,437	1,286	20,108	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; Free, if other kinds.
Hardwood.....	M ft.						126		12	Free.
Wood, pulp.....	Cwt.	628,250	1,365,005	791,374	1,756,451	3,075,821	6,724,335	3,835,629	7,965,753	Free.
Paper—Newsprint.....	Cwt.	2,689,319	4,569,509	3,371,311	5,844,784	11,722,505	20,315,839	13,727,873	23,589,766	Free.
IRON AND IRON PRODUCTS										
Farm implements—										
Cultivators.....	No.	288	25,205	326	20,471	645	53,136	1,135	77,993	Free.
Drills.....	No.	73	8,891	38	3,777	150	17,590	300	32,057	Free.
Harrows.....	No.	199	3,427		7,405		8,895		40,594	Free.
Harvesters and binders.....	No.	38,933		178	37,278	204	40,301	388	76,225	Free.
Hay rakes.....	No.	400	11,609	428	1,235		12,337	46	1,235	Free.
Mowers and reapers.....	No.	739	46,357	86	5,300	1,008	63,799	365	20,767	Free.
Ploughs and parts.....	No.		24,100		20,801		99,487		156,882	Free.
Reaper threshers.....	No.			40	38,821	5	67,150	64	66,092	Free.
Parts of farm implements, n.o.p.....	No.		26,427		42,087		72,181		284,981	Free.
Ferro-silicon.....	Ton	535	10,332	590	12,984	3,219		1,984	50,584	2c. per lb. on silicon content.
Ferro-manganese and other ferro-alloys..... Ton										
		1,969	48,597	2,753	73,681	5,729	146,362	7,269	183,766	1½c. per lb. on manganese content.
Skates..... Pair										
		16	13	15,266	9,203	9,935	8,192	85,417	49,312	20% ad val.
NON-FERROUS METALS AND PRODUCTS										
Cobalt in ore.....	Cwt.					258	9,107	338	17,211	Free.
Nickel in ore, matte or speiss.....	Cwt.	10,762	193,838	5,431	98,674	32,240	580,442	40,672	732,127	Free.
Nickel in oxide.....	Cwt.	181	3,674	1,643	31,448	2,206	43,888	6,202	119,735	Free.
NON-METALLIC MINERALS AND PRODUCTS										
Abrasives, artificial, crude.....	Cwt.	112,372	264,382	101,291	261,274	434,132	1,014,321	469,801	1,148,025	Free.
Asbestos.....	Ton	3,135	159,440	4,340	229,479	16,480	826,145	20,999	1,131,347	Free.
Asbestos sand and waste.....	Ton	5,535	38,169	9,646	152,809	20,555	303,615	32,641	521,843	Free.
Feldspar.....	Ton	48	400	277	2,085	1,083	6,039	13,235	8,188	50c. per ton, if crude.
Gypsum, crude.....	Ton	8	88		22,158	22,158	26,076	13,100	14,396	Free.
Lime.....	Cwt.	10,417	4,796	19,182	7,238	40,452	17,476	50,385	20,634	Various.
Talc.....	Cwt.	12,697	6,437	14,725	7,553	50,465	25,985	53,515	27,275	35% ad val.
CHEMICALS AND ALLIED PRODUCTS										
Acetic acid.....	Cwt.	22,535	130,274	25,996	139,047	141,230	830,600	95,650	517,693	2c. per lb., if over 65%.
Cyanamid.....	Cwt.	173,085	182,420	210,384	217,100	1,254,888	1,372,888	1,297,233	1,366,697	Free.
Sulphuric acid.....	Cwt.	619	402	1,241	686	4,938	3,279	5,707	3,668	Free.
MISCELLANEOUS COMMODITIES										
Organs.....	No.					2	14,140	1	6,768	35% ad val.
Total exports of above commodities.....			11,424,245		14,992,138		48,375,350		62,180,050	
Total domestic exports to United States.....			25,455,395		31,553,985		103,993,799		111,827,079	

(c) Reduced rates not applicable to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

DEMAND FOR HARDWARE SPECIALTIES IN THE WEST OF ENGLAND AND SOUTH MIDLANDS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, April 24, 1936.—From time to time the Trade Commissioner in Bristol receives inquiries from manufacturers' agents and others for lines of specialty hardware items for which a ready market might be found in this country. In many cases it is not possible for the agent to specify exactly the nature of the article he wishes to import, but in general it may be said that almost any novel line which could be sold to wholesale hardware firms would be of considerable interest.

Several inquiries of this kind have been published in the *Commercial Intelligence Journal*, but as it is difficult to mention specifically individual commodities, the inquiries have had to be listed under a very broad classification. This is not very satisfactory, and generally the response has been poor, due to the fact that manufacturers are often unable to identify their own lines under such a comprehensive description.

ITEMS OF INTEREST

It is felt that a number of Canadian products suitable for sale through hardware shops would meet the requirements of agents in the West of England and South Midlands. Many such individual articles suggest themselves, among which, for illustration, might be mentioned special tools and utensils, door holders, fly swatters, garment hangers, hollow-ware, flatware and kitchenware, metal notions, and weatherstrip. Broadly speaking, many lines of wood, metal, leather, canvas, bakelite or celluloid products would be of definite interest.

Patented articles, which are not at present being sold in this country, would offer an attractive proposition to an importer or agent, due largely to their novelty value. In the case of such goods, however, steps should be taken to obtain patents covering the United Kingdom before making shipments in order to prevent their being copied by manufacturers here. Information regarding this matter will be furnished on request.

MARKETING ORGANIZATION

Most of the agents who make inquiries for such lines as these have sales organizations covering the whole of the United Kingdom, and are prepared to accept an agency or sole selling rights for the entire country. If necessary they may accept proposals for a restricted area. Generally it is the custom for the agent to obtain orders from merchants and forward such orders to the manufacturer, who ships direct to the customer, with documents attached to the bill of lading.

Commission to the agent varies, depending upon the nature of the commodity and the service rendered. In some cases the agent is prepared to make payment on his own account, and he may even consider carrying stocks. Such arrangements, however, are usually matters for adjustment to mutual advantage.

OPPORTUNITIES FOR CANADIAN PRODUCTS

The nature of the articles referred to is altogether too general in scope to permit accurate information as to their exact tariff status to be given. Generally speaking, however, it may be assumed that Canadian products enjoy full tariff preference as against ad valorem rates of 10 per cent, or more, applicable to goods of foreign origin.

In view of the definite interest expressed in Canadian products, manufacturers of lines which might conceivably be classified under the heading "hardware specialties" are invited to send catalogues, samples and prices, c.i.f. United Kingdom ports, to the Canadian Trade Commissioner in Bristol.

CURED FISH IMPORTS INTO INDIA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, April 8, 1936.—India imports annually approximately 97,000 cwts. (112 pounds) of cured fish valued at around Rs.1,700,000, exclusive of canned fish. Imports are made up principally of dry salted, unsalted, and wet salted fish, and fishmaws and shark fins. Actual imports for the ten months ended January 31 last—the latest period for which complete details are available—were as under:—

	Cwts.	Rs.
Fish, dry, unsalted	4,031	73,384
Fish, dry, salted	50,249	1,135,882
Fish, wet, salted	27,292	209,765
Fishmaws and shark fins	5,683	28,499
Fish other sorts	2,648	143,260
Total	89,903	1,590,790

The above by no means indicates the entire consumption of fish of the types mentioned. India is a large consumer of these varieties, particularly among the poorer natives, but much of it is supplied by her own fisheries, which, though they are not developed along modern lines to the same extent as Canadian fisheries, are prolific, and it is an industry which gives employment to thousands of the native population.

The principal markets for fish are Rangoon, Bombay, and Calcutta, each market taking more or less different varieties. The Burmese market through Rangoon, for instance, is a very large consumer of dry salted fish, importing during the last year approximately 45,000 cwts. with a value of Rs.1,100,000: almost the whole of it is imported from the Straits Settlements.

On the other hand, Bombay consumes large quantities of wet salted fish, her consumption in the same period amounting to 27,000 cwts. (Rs.200,000), imported principally from the Straits Settlements and neighbouring foreign territories. Bengal holds third place, but consumes almost equally the various types included in the foregoing table. In order of importance the principal sources of supply within the Empire are the Straits Settlements and the United Kingdom; and among foreign sources the neighbouring countries round the Persian Gulf, and Japan.

In Bengal generally, and particularly in Calcutta—typical of the Indian market for these kinds of fish—the importation is practically a monopoly in the hands of a few Bengalese.

These merchants not only import but also largely control the local fisheries. As this is a food consumed largely by the poorer native population, it must of necessity be cheap. Retail prices of cured fish sold on these markets range from 4 cents or less per pound to 12 cents or more, depending upon the variety or species and the type of cure.

In order to ascertain if there are any possibilities for Canadian cured fish in the Indian market the best method would be to send a small shipment of dry salted cod, hake, and pollock; smoked salmon might be included, as there is a demand for this product in Bombay and Calcutta. The shipment would require to be on a consignment basis, as no Indian importer is likely to risk any financial outlay on an unknown article. The cure must be extremely strong and the fish thoroughly dried, similar to shipments to the West Indies: India is hotter and more humid and the routes traversed much longer.

The Bombay market is suggested for a trial because of direct shipping facilities from Saint John and Halifax. Interested exporters are requested to

communicate with the Canadian Trade Commissioner's office in Calcutta or with the Department of Trade and Commerce, Ottawa (quoting file No. 24874), when they will be placed in touch with a firm in Bombay willing to undertake a small trial shipment.

Dry salted fish is assessed at 15 per cent ad valorem. The preferential duty is 5 per cent ad valorem (not applicable to Canada).

TRADE OF ST. VINCENT IN 1935

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Port of Spain, April 27, 1936.—The island of St. Vincent with its dependency, the Grenadines, is a unit of the British Colony of the Windward Islands. The population of the Presidency was estimated to be 52,000 at December 31, 1933; the area is 150 square miles. The principal export is arrowroot: St. Vincent is an important world supplier of this product. Several additional agricultural crops are produced and exported, including molasses, sugar, coconuts, sea island cotton, and cassava starch. There was an increase in the quantity of exports of arrowroot in 1935, when 6,609,856 pounds were shipped compared with 6,526,003 pounds in 1934.

TOTAL TRADE

The figures showing imports, domestic exports, and total trade during the calendar years 1935, 1934, and 1933 are listed hereunder:—

	1935	1934	1933
Imports	£171,392	£163,035	£148,647
Exports	132,004	129,833	112,265
	<hr/> £303,396	<hr/> £292,868	<hr/> £260,912

An increase in arrowroot exports is reflected in imports and total trade: exports of this product have been increasing steadily under the supervision of the St. Vincent Co-operative Arrowroot Association.

IMPORT TRADE

The United Kingdom, the leading supplier, is credited with imports valued at £79,084 (46·1 per cent) of St. Vincent's total imports in 1935. This is an increase over the preceding two years, when imports from the above source were valued at £71,125 (43 per cent) and £66,326 (44·6 per cent). Imports consist of a wide variety of items, the principal being cotton piece-goods valued at £15,897 (£8,739 in 1934); (cigarettes, £4,128 (£4,036); machines of all kinds, £3,412 (£3,543); motor cars and trucks, £2,884 (£2,682); boots and shoes of leather, £2,504 (£2,110); cement, £2,372 (£1,735); soap, £2,243 (£2,528); lard and lard substitutes, £1,663 (£1,196); and flour, £1,591 (£944).

Canada was the second largest shipper, supplying imports valued at £31,385 (18·3 per cent) compared with £31,362 (19·2 per cent) in 1934 and £25,227 (16·9 per cent) in 1933. Total imports from Empire sources were valued at £134,936 (78·8 per cent) compared with £126,476 (77·5 per cent) in 1934. Following the United Kingdom and Canada, the most important Empire suppliers were: Trinidad, £6,747 (£5,619); British Guiana, £4,840 (£5,017); Newfoundland, £4,767 (£3,746); India, £3,299 (£2,549); and Barbados, £2,440 (£5,074).

Foreign countries accounted for imports amounting in value to £34,036 in 1935 and £34,849 in 1934. The United States is credited with £23,642 (13·6 per cent) compared with £24,664 (15·1 per cent) in 1934. The chief products were: dressed lumber £3,882 (£5,211); shooks, staves, and headings, £3,513 (£4,971); cotton piece-goods, £2,528 (£2,769); and sulphate of ammonia, £2,393 (£323). Japan was credited with imports valued at £3,602 (£3,417), France with £1,300 (£1,262), Germany with £1,204 (£1,239), and Holland with £1,116 (£690).

EXPORTS TO PRINCIPAL COUNTRIES

A large percentage of the arrowroot exported from St. Vincent is consigned to the United States, the colony's best customer. Total exports were valued at £76,668 in 1935 and £75,044 in 1934, of which the United States was credited with £46,230 and £42,380 in the respective years. Other important exports to the United States were: coconuts, £6,752 (£2,121); and molasses, £4,583 (£3,030). Exports to the United Kingdom, which were valued at £37,775 in 1935, increased slightly from 1934 and 1933, when they amounted to £37,425 and £33,640 respectively.

Other countries of destination included Trinidad, £14,514 (£20,174); Canada, £10,934 (£13,078); Barbados, £4,538 (£3,807); France, £2,919 (£2,365); and Germany, £1,220 (£1,057).

The principal exports, excluding arrowroot, were: coconuts, valued at £10,215 (£2,538 in 1934); sea island cotton, £9,947 (£10,469); sugar, £6,406 (£5,979); syrup and molasses, £6,182 (£11,218); cassava starch, £4,124 (£3,081); and copra, £3,418 (£6,551).

TRADE WITH CANADA

The following table shows the value of imports, domestic exports, and total trade with Canada for the calendar years 1935, 1934, and 1933:—

	1935	1934	1933
Imports	£31,385	£31,362	£25,227
Exports	10,934	13,078	9,376
	<hr/> £42,319	<hr/> £44,440	<hr/> £34,603

The largest single product received from Canada is flour. Imports from the Dominion amounted to 22,063 cwts. valued at £13,431 compared with 25,515 cwts. valued at £15,177 in 1934; total imports were 26,153 cwts. valued at £15,445 and 27,807 cwts. valued at £16,322. The following were among the products received from Canada: shooks, staves, and headings, £4,295 (£3,923); motor cars and trucks, £2,537 (£1,214); fish, all kinds, £1,570 (£1,706); shoes, rubber and canvas, £1,297 (£520); dressed lumber, £1,031 (£1,241); tires, £857 (£858); cement, £560 (£740); wire nails, £460 (£233); cheese, £288 (£267); potatoes, £284 (£286); medicines and drugs, £248 (£188); hosiery, £214 (£184); and oats, £207 (£215). The principal products exported to Canada include arrowroot, £4,729 (£4,276); coconuts, £3,392 (£353); syrup and molasses, £1,599 (£8,188); raw cocoa, £568 (nil); and bananas, £467 (nil).

ECONOMIC CONDITIONS IN FRANCE DURING 1935

HERCULE BARRÉ, COMMERCIAL ATTACHÉ

Paris, April 10, 1936.—At the beginning of the current year, 3 per cent French government rentes stood at 85, yielding a tax-free 3.53 per cent; the year-end quotation was 72.5 yielding 4.14 per cent. The latter is about equal to 6 per cent on taxable bonds, as witnessed by the year-end issue of Post Office 5½ per cent bonds at 95. These latter were issued with a 1½ per cent commission to the underwriting banks, and therefore their cost price was 93.5. Subscriptions were open for over one month, and they were being sold on the exchange at 93, losing commissions and one-half of 1 per cent. Since the government cannot borrow at less than 6 per cent, financial rearrangement and the lowering of costs in industry is almost out of the question.

Gold holdings of the Bank of France were 82,124 million francs at the beginning of January, and 66,297 million at the end of December.

The rediscount rate was 2½ per cent at the beginning of 1935, and 6 per cent at the end of the year.

INDUSTRIAL PRODUCTION

In a general way it may be stated that practically all industrial production suffered still further losses during 1935. Towards the end of the year there appeared to be a revival which only lasted about two months before production slumped once more. In 1935, however, in contradistinction to the situation in 1934, the industries depending in large measure on export trade did not suffer more than those whose market was purely domestic. Thus the iron and steel industry showed signs of being able to compete with the energetic Belgian and German mills, and a more stable export market resulted in a less noticeable change in production than might have been the case.

Some industries dependent on imported raw materials have actually shown better financial statements this year than in 1934, due principally to the world recovery of prices, which immediately had its repercussion on the value of industrial production, though not necessarily on volume.

COAL PRODUCTION

While world production of coal increased by between 15 and 20 million tons in 1935 over 1934, production in France decreased as compared with 1934—from 48,638,000 tons to a little over 47 million. In addition to this, French consumption, which must have supplementary supplies in the north from adjoining coalfields, and in the east from Germany, fell by 3·6 million tons to 67·8 million, the lowest figure in several years. Imports were 20 million tons, slightly lower than for the previous year. Exports are only 1½ million tons, so that the position of stocks remains practically unchanged.

IRON AND STEEL PRODUCTION

The production of cast iron has sensibly diminished, average monthly production being 482,000 tons in 1933, showing a greater degree of decrease last year than during the previous period. Production of steel, on the other hand, averaged 517,000 tons compared to 512,000 in 1934 and 544,000 in 1933, largely due to an increase at the end of the year.

Stability in French production, however, is not a sound index as to the state of French industry, since one must make unfavourable comparisons with the steel industries of other countries. French production remained at 6,200,000 tons, while American production increased by 8,000,000 tons, or about 30 per cent to 33,960,000 tons; German production increased by 2,600,000 tons, or about 20 per cent, to 16,420,000 tons; Soviet production increased by 30 per cent and British production by 10 per cent. In other words, France by comparison has remained behind the movement upwards of activity in other countries, and in export trade, figures have also gone down in comparison with the previous year by a small amount difficult to estimate accurately because of the return of the Saar valley to Germany at the beginning of 1935.

NATIONAL DEBT

In France the national debt can be estimated at 350 billion francs—this is without counting war debts of 180 billion francs to the United States and about 40 billion francs to Great Britain. If these were added, the total national debt would amount to about 570 billion francs, or about 40 billion dollars—nearly equal to that of the United States.

BUDGET FOR 1936

Estimated receipts for 1936 are 40,433,452,266 francs, while expenditures are estimated at 40,380,954,073 francs. Supplementary to this, the government is endeavouring to obtain 7 billion francs for additional defence expenditures.

Of the total amount of the budget, 17,766,817 francs is for service on the national debt. This is approximately 45 per cent of the total budget. Interest on the public debt is therefore approximately 1,200 million dollars. The various national defence services take approximately 7 billion francs, or over 15 per cent of the total expenditures without including the inevitable special budgets which will be necessary. These two budgets together represent about 60 per cent of the total.

TAXATION

In France, the system of taxation differs considerably from that existing in Canada. In the budget for 1936, about 7.5 billion of the total revenue is the result of direct taxes. About 2.2 billion of this comes from the commercial taxes, and about the same amount from the income tax. The remainder of the revenue comes from commercial and industrial undertakings, and many of them cannot be considered as income taxes since they are based on assessed valuations. An anomalous feature is the assessment according to appearances; if an individual has an apartment that costs more than 20 per cent of his declared income, the valuation for income tax purposes is increased by that percentage.

Real estate and "registration" taxes bring in another 3.2 billion, and these are still more fixed, since they depend on the value of property at the time of registration of its purchase. Stamp taxes bring in 2 billion francs, while the tax on stocks and bonds brings in another 3.2 billion.

The customs income is expected to be 6.7 billion francs, or only about 17 per cent of the total income.

Indirect taxes (alcohol, excise, gasoline, automobiles, travel, etc.) accounted for 5.5 billion francs, while the turnover or sales tax will account for a total of 6 billion.

The total of taxes under the 1936 budget comes to approximately 35 billion francs, while the remainder of the national income comes from state monopolies, and receipts in "attenuation of expenses"—that is fees for government inspections and various other receipts from government enterprises.

Both the proportions mentioned above and the method of taxation differ from those in Canada. In France the national government is responsible for the whole country, and a large proportion of the money needed by departments and communes—provinces and municipalities—is obtained by the national government and apportioned out to them. The direct income of the latter is therefore not more than 6 billion in additional taxes.

The rate of taxation outlined above comes to about 900 francs per capita, and it is probable that the additional subsidiary taxes do not bring the figure very much above 1,150 francs—about \$75 per capita.

COST OF LIVING

Despite the already abnormally high prices in France due to continuance on the gold standard, the beginning of 1935 was marked by a continuance of the upward movement. To a remarkable degree fiscal charges affect prices. The turnover tax prorates these charges so that no one is affected more than others; but other taxes, dependent on position, location, appearance, etc., are to be borne by the retailer in the same proportion whether consumption is going up or down. At the present time, with a continually decreasing consumption, prices have to be increased in order to take care of these fixed fiscal charges.

Another factor which tends to stabilize cost of living and prevent decreases parallel to changes in the cost of raw materials is that a large proportion of the working population have their wages fixed on the cost of living index. A decrease in prices will therefore be reflected in a decreased income which will equalize

and thus prevent a rapid growth in consumption which, by providing for greater mass production, might tend to still lower prices.

The third factor in stabilized prices is the high customs tariff. Wheat sells in Paris at 94 francs a quintal, equal to about \$1.65 a bushel.

The cost of living in France is very high. Taking 1926 as a base year, when the Canadian dollar had a purchasing power of 100 cents, its purchasing power on the French market in 1935 had fallen to 51 cents.

The retail and wholesale indices for 1934 and 1935 show that the averages for 1935 decreased by 11.87 per cent and 5.19 per cent respectively. Wholesale prices went down drastically until the month of September, but since then there has been a considerable increase which produced end-of-the-year prices 4 per cent higher than those obtaining in 1934. The retail index was still more seriously affected, as the variations were more noticeable and since the August low they have gone up almost 10 per cent, although at the end of the year they were still almost 7 per cent lower than in the preceding year. From these upward curves for the last four months of the year, it would appear that there is now another wave of increased costs.

UNEMPLOYMENT IN FRANCE IN 1935

In a report published in *Commercial Intelligence Journal* No. 1631 (May 4, 1935) on "Unemployment in France in 1934," an estimate, supplementary to the official figures, was given which covered more completely the actual situation.

Owing to the fact that a large percentage of unemployment remained unreported to the various relief agencies in that year, the result of long-continued unemployment would naturally be that a greater percentage of those affected would be obliged to declare themselves in order to receive benefits, and that there would therefore be a tendency towards the lowering of unofficial figures and an increase in official returns. This would not necessarily mean an increase in total unemployment.

As a matter of fact, that increase in official returns has taken place, and yet, because of the factor mentioned above, it is probable that the total number of wholly unemployed has remained comparatively stationary or has even decreased with the opening up of a greater number of short-time jobs. In France more than in most countries, because of rigid requirements as to the employment of wounded war veterans, the provision of family allowances, and industrial contributions to social insurance, there is general inelasticity in the hiring and releasing of wage-workers. The result is that even in coal-mining areas, where the reduced demand has caused so much acute distress in England, the tendency here is rather to apportion the reduced hours of necessary labour among the largest possible number of those on the customary pay-roll. Average hours of labour in that way vary week by week, depending on the demand for the product in question.

Having regard to the natural movement of the unemployed to the official rather than the unofficial rolls, and to the movements of the hours of labour, the official compilations may be examined.

As far as mining is concerned, only 27 per cent of the workers were employed 48 hours a week; next most seriously affected was the textile industry, with only 46 per cent working a 48-hour week; next, metal workers and pottery workers with under 60 per cent. Other industries in which close to one-quarter of the employees worked on short hours were metallurgy, industrial chemicals, the food industries, rubber, paper, clothing, and the leather-working trades.

The number of unemployed on relief rolls at the end of the year totalled 439,700 as against 419,000 at the end of 1934. While this appears as an aggravation of the situation, with deductions made for the factors mentioned above, a

turning point appears to have been reached: for this figure is only 20,000 above that for the corresponding period of 1934, while the November figure was 35,000 above its corresponding period; the October figure was 35,000, September 50,000, August 65,000, July 60,000, June 90,000, May 100,000, and all previous months ran considerably above that figure.

Despite this apparent reversal of trends, however, the situation is still serious because of the reduced hours of labour, and from a comparative standpoint, because unemployment has been so greatly reduced in the two great competing industrialized countries of Europe—Great Britain and Germany. While official unemployment figures went up by 5 per cent, they were reduced by 12·3 per cent in Great Britain, and by 12·5 per cent in Germany; in the United States the employment index rose from 76·6 to 84·6.

FOREIGN TRADE OF THE UNITED STATES IN 1935

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York City, May 11, 1936.—The United States reciprocal trade agreements policy under the present administration has so far been responsible for nine agreements. These are: the Cuban agreement in 1934; the Belgian, Haitian, and Swedish agreements in 1935; and the agreements with Canada, Brazil, Honduras, the Netherlands, and Switzerland in 1936. Agreements with Colombia, Nicaragua, and Guatemala have been signed but are not yet effective, and a new agreement with France has been announced during the past week.

The only agreement in effect over the working period of a year is with Cuba, and the results have been satisfactory, a considerable increase in trade having been effected.

Total exports show an increase of 7 per cent over 1934 compared with an increase of 24·6 per cent in the value of imports. The heavy increase in imports is largely due to the absence of arbitrary controls of import trade, increasing industrial activity, and to certain elements of inflation, particularly in relation to foodstuffs.

(Acknowledgment is made for data in this report to the Foreign Commerce Department of the Chamber of Commerce of the United States; and to the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce.)

EXPORT TRADE

According to preliminary statistics of the Department of Commerce at Washington, D.C., exports for 1935 amounted to \$2,281,800,000, an increase of 7 per cent or \$149,000,000 over the total of \$2,132,800,000 for 1934. The gain in the value of exports is accounted for by an increase of 3 per cent in the unit value or price and of 5·4 per cent in the volume of goods shipped.

The following tables show the value of United States exports to various British Empire countries, other principal foreign countries, and the total value of exports by commodity groups:—

United States Exports to British Empire Countries

	1935	1934	Inc. or Dec. Per Cent
Total to all countries.. . . .	\$2,281,800,000	\$2,132,800,000	+ 7.0
Canada	323,191,000	302,433,000	+ 6.9
United Kingdom.. . . .	433,385,000	382,749,000	+13.2
Irish Free State.. . . .	7,260,000	7,180,000	+ 1.1
Australia.. . . .	57,088,000	43,299,000	+32.1
New Zealand	15,610,000	12,999,000	+20.1
Union of South Africa .. .	53,625,000	45,350,000	+15.9
British India	31,452,000	27,442,000	+14.6
Bermuda	2,799,000	2,929,000	- 4.4
Jamaica	4,030,000	3,800,000	+ 6.1
Trinidad and Tobago	3,365,000	2,821,000	+19.3

United States Exports to Other Principal Foreign Countries

	1935	1934	Inc. or Dec. Per Cent
Argentina	\$ 49,288,000	\$ 42,688,000	+15.5
Brazil	43,618,000	40,375,000	+ 8.0
France	116,920,000	115,704,000	+ 1.1
Germany	91,662,000	108,738,000	-15.7
Belgium	58,208,000	50,006,000	+16.4
Netherlands	48,540,000	50,968,000	- 4.8
Italy	72,450,000	64,578,000	+12.2
Soviet Russia	24,743,000	14,881,000	+64.8
Japan	203,260,000	210,480,000	- 3.4
China	38,156,000	68,667,000	-44.4

United States Exports by Commodity Groups

	1926-30 In Millions of Dollars	1934	1935
Animal and animal products, edible	233.3	82.6	60.7
Animal and animal products, inedible	119.1	50.8	47.3
Vegetable food products and beverages	520.4	144.3	155.3
Vegetable products, inedible, except fibres and woods	290.4	183.9	195.5
Textile fibres and manufactures	954.9	440.3	456.2
Wood and paper	186.7	90.4	92.3
Non-metallic minerals	707.0	321.8	338.8
Metals and manufactures, except machinery and vehicles	463.8	190.3	195.6
Machinery and vehicles	934.5	435.1	520.8
Chemicals and related products	134.9	92.6	103.1
Miscellaneous	142.7	69.1	76.3
Total	4,687.8	2,100.7	2,241.9

The export trade of the United States continued to show a steady increase in 1935: all countries, except Bermuda, in the British Commonwealth showed increases. Shipments to the United Kingdom were 13.2 per cent greater than in 1934. Exports to Canada, the second best customer of the United States, were valued at \$323,191,000, a gain of 6.9 per cent from the total of \$302,433,000 during 1934.

General world recovery brought with it a steadily increasing demand for merchandise of United States origin, particularly products characteristic of the country. Both finished and semi-finished manufactures and crude materials were exported in larger quantities than in 1934, and accounted to a great degree for the 7 per cent gain in the United States export trade. Exports of finished products were 10.7 per cent greater than in the previous year, and semi-manufactured goods increased by 2.5 per cent.

Exports from the United States of crude materials, chiefly cotton, made a gain of 3.2 per cent in 1935. On the other hand, the exports of both crude and manufactured foodstuffs were smaller than in 1934, the former being 2.9 per cent and the latter 21.3 per cent less in quantity.

An increase in demand by cotton-importing countries such as the United Kingdom, France, Germany, and Belgium for unmanufactured cotton resulted in 3,233,835,000 pounds valued at \$390,899,000 being exported during 1935. This was a gain of 2.7 per cent in quantity and of 4.9 per cent in value compared with 1934.

More than 10 per cent of the export trade in the past year was in automobiles, parts, and accessories. The value of this trade was \$227,290,000, an increase of 19.5 per cent over the 1934 value of \$190,208,000. In machinery the enviable record of 1934 was surpassed by 20 per cent and was one of the principal factors in the 7 per cent increase in total exports. Foreign sales of machinery of all classes formed 13 per cent of the United States export trade in 1935. The value of the exports of agricultural machinery and implements was \$32,040,000, a gain of 48.7 per cent over the value of \$21,553,000 in 1934. Electrical machinery and apparatus amounted to \$76,004,000, an increase of 14.2 per cent from the total of £66,525,000 in 1934.

Owing chiefly to record shipments of iron and steel scrap, exports of iron and steel products in 1935, which totalled 3,067,000 tons, were the largest in the seventeen years that have elapsed since the conclusion of the World War. Of this quantity 2,108,000 tons were scrap iron and steel, an increase of 14.8 per cent over the 1934 tonnage.

In 1935 the United States exported 51,430,000 barrels of crude petroleum valued at \$61,176,000, a gain of 25.1 per cent in volume and of 23 per cent in value over 1934. Sales of chemicals and related products during the past year were well above the 1934 exports, the foreign demand for such specialties as paints, medicinal and pharmaceutical preparations, certain fertilizers, and industrial chemicals being strong.

IMPORT TRADE

Imports into the United States for consumption in 1935 amounted to \$2,038,638,000, an increase of 24.6 per cent from the 1934 value of \$1,636,003,000. The average import prices during the past year were 2 per cent above the 1934 average, and quantitatively there was a 23 per cent increase.

The following tables show the United States imports for consumption from British Empire countries, other principal foreign countries, and the value of imports by commodity groups:—

United States Imports from British Empire Countries

	1935	1934	Inc. or Dec. Per Cent
Total from all countries	\$2,038,638,000	\$1,636,003,000	+24.6
Canada	285,141,000	227,254,000	+25.6
United Kingdom	151,807,000	111,269,000	+36.4
Irish Free State	692,000	622,000	+11.2
Australia	14,497,000	8,612,000	+68.2
New Zealand	9,985,000	5,391,000	+85.3
Union of South Africa	4,168,000	2,829,000	+31.0
British India	64,454,000	54,883,000	+17.5
Bermuda	399,000	535,000	-25.4
Jamaica	2,100,000	1,680,000	+25.0
Trinidad and Tobago	2,727,000	2,020,000	+35.0

United States Imports from Other Principal Foreign Countries

	1935	1934	Increase Per Cent
Argentina	\$ 63,847,000	\$ 29,435,000	116.4
Brazil	99,255,000	91,975,000	7.9
France	58,615,000	57,331,000	2.2
Germany	78,332,000	68,850,000	13.7
Belgium	39,339,000	26,455,000	48.8
Netherlands	39,136,000	27,979,000	40.0
Italy	37,642,000	36,759,000	2.3
Soviet Russia	17,736,000	11,647,000	47.3
Japan	151,396,000	117,963,000	28.3
China	63,742,000	43,248,000	47.4

United States Imports by Commodity Groups

	1926-30 In Millions of Dollars	1934	1935
Animal and animal products, edible	125.1	49.0	74.7
Animal and animal products, inedible	337.5	109.6	151.1
Vegetable food products and beverages	778.7	467.9	566.4
Vegetable products, inedible, except fibres and woods	576.1	222.1	282.1
Textile fibres and manufactures	893.8	240.2	306.7
Wood and paper	358.8	181.5	208.3
Non-metallic minerals	280.2	86.4	103.8
Metals and manufactures, except machinery and vehicles	334.1	129.7	177.0
Machinery and vehicles	31.2	11.8	14.5
Chemicals and related products	132.8	65.1	68.7
Miscellaneous	185.1	71.5	85.0
Total	4,033.5	1,634.8	2,038.6

Imports for consumption from the countries comprising the British Empire, with few exceptions, were markedly larger than in 1934. Canada, the largest source of supply for the United States, supplied this country with imports valued at \$285,141,000, an increase of 25·6 per cent over the amount of \$227,254,000 for 1934. Imports from Bermuda registered a decline of 25·4 per cent during 1935.

Improvement in the domestic economic situation resulted in increased imports of a number of materials and foodstuffs, particularly of commodities either not produced in this country or in insufficient quantities to meet the required demand.

During 1935 the United States imported the largest amount of coffee in its history. The imports amounted to 1,754,679,000 pounds valued at \$136,721,000. The quantity was 15·1 per cent greater than the 1,523,994,000 pounds in 1934, and the value was 2·7 per cent higher than the 1934 value of \$133,154,000. Cane sugar imports were smaller than in 1934, but were higher in value. In 1935 there were 5,908,295,000 pounds of cane sugar imported and valued at \$133,475,000, compared with 5,957,034,000 pounds valued at \$116,519,000 in 1934, a decrease of 0·8 per cent in quantity and an increase in value of 14·6 per cent.

Imports of crude rubber in 1935 amounted to 1,045,380,000 pounds, the largest since 1931. However, it was only a gain of 0·9 per cent above the 1934 receipts of 1,035,757,000 pounds. The value was \$119,082,000, an increase of 17·3 per cent from the 1934 value of \$101,532,000. Imports of standard newsprint paper were the largest since 1929, and amounted to 4,766,631,000 pounds, a gain of 7·9 per cent over the 1934 quantity of 4,419,396,000 pounds. The value of newsprint imported was \$82,265,000, compared with the 1934 total of \$76,272,000, an increase of 7·9 per cent.

As a result of the United States having to import certain agricultural products to supplement domestic supplies, a record quantity of wheat, 38,870,000 bushels, was imported. Of this amount 11,431,000 bushels were imported in bond for grinding and re-export. The total quantity was 109·6 per cent over the 1934 total of 18,543,000 bushels; the value 109·5 per cent from \$14,490,000 in 1934 to \$30,362,000. By-product feeds of wheat increased 73·3 per cent over 1934 imports. Other imports showing increases during 1935 over the preceding year included metals, raw silk, diamonds both for adornment and industrial purposes, sawed boards and lumber, shingles, and a few chemicals and related products.

GRAIN FARMING IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

(The value of the peso at par is equal to 42·44 cents Canadian and at current official selling rates to 29·3 cents)

II

ARGENTINE GRAIN EXPORTS

Exports of cereals other than wheat from Argentina increased during the four-year period from 1931 to 1934 as compared with the period 1927-30. The higher exports reflect the increased acreage sown to these crops in recent years. Flax, on the other hand, shows little change. The following table will indicate the principal consuming areas as well as quantities exported for certain periods:—

Exports of Grain from Argentina

	Corn		Flaxseed		Barley		Oats	
	1927-30	1931-34	Averages 1927-30 and 1931-34				1927-30	1931-34
			1927-30	1931-34	1927-30	1931-34		
			Millions of Bushels					
United Kingdom.	60.4	102.0	8.5	7.8	0.1	2.8	6.1	8.0
Europe.	157.0	149.9	37.1	44.2	10.1	14.0	21.9	26.5
North America..	7.1	2.1	16.0	9.8	....	....	....	0.2
Other.. . . .	5.1	2.6	0.6	0.9	0.3	0.1	0.9	0.6
Average	229.6	256.6	62.2	62.7	10.5	16.9	28.9	35.3
1934 . . . . .	....	205.7	....	51.7	....	24.7	....	32.8
1935 . . . . .	....	277.0	....	66.8	....	18.8	....	24.4

CORN

The acreage sown to corn in Argentina has increased steadily during the past ten years. Consumption has fallen off, however, in both Europe and the United States since 1930, but shipments shown to the United Kingdom have increased. Details of exports by destinations are not yet available for 1935.

Corn represented 21 per cent of the value of all exports from Argentina during the five-year period to 1934 as compared with 19 per cent for the previous five-year period. This compares with 18 and 21 per cent for wheat covering the corresponding periods. Corn has consequently displaced wheat as the principal export crop. Exports of corn in 1935 at 277,000,000 bushels were well above the average, and it is expected that the exportable surplus of corn from the 1935-36 crop will create a new record. Corn is planted between September and December and harvested in March and April.

FLAXSEED

Flax is one of the staple cash crops in Argentina, and the acreage sown shows little change from year to year. The yield, however, does vary, particularly in the dry belt in the south, where the farmers change to this crop frequently from wheat when attracted by high prices, although flax in this area is subject to damage from frost. Work has been done with a view to developing early-maturing varieties. Argentine flaxseed is the important factor in export markets and prices to a large extent reflect conditions here. It is produced only for the seed and not for the fibre. Consumption of Argentine flaxseed has increased in Europe but has fallen steadily in the United States.

BARLEY

Production of barley has been increasing in Argentina. Malting barley for local demand is an important factor and consumption of ordinary barley has been increasing in Europe. The United Kingdom ordinarily takes very little Argentine barley.

OATS

As in the case of barley, oat production has increased but the surplus available for export varies widely. Oats are used as a forage crop, particularly in drought years. Italy and Belgium are the principal export markets.

RYE

Rye is not an important grain crop in Argentina at present. Average exports over the past five years were 5.8 million bushels. The United States is a consuming market in certain years, but ordinarily shipments go to Europe.

WHEAT PRODUCTION IN ARGENTINA

The acreage sown to wheat in Argentina showed little change between 1910 and 1924. The average annual acreage sown to wheat between 1910 and 1924 was 16,034,467 acres, and between 1920 and 1924 the average was 16,014,307 acres. However, during the five-year period from 1924 the acreage increased to an average of 19,938,575 acres, but for the last five-year period to 1934 remained more or less at this level or 19,592,806 acres.

The following table will give the data on acreage sown, production and exports of wheat and flour during the period from 1924 to 1935:—

Wheat Production in Argentina

Years	Acreage		%	Yield per Acre	Exports	
	Sown	Harvested			Production	Wheat and Flour
	Million Acres			Bushels	Million Bushels	
1924-25	17.7	15.9	90	11.9	190.8	117.0
1925-26	19.1	17.6	92	10.8	190.9	82.3
1926-27	19.2	18.9	98	12.1	229.9	163.8
1927-28	20.6	20.1	98	13.9	282.8	203.2
1928-29	22.7	22.4	98	14.8	348.6	249.8
1929-30	20.4	15.8	78	10.2	162.3	86.6
1930-31	21.2	19.5	92	11.8	231.9	138.0
1931-32	17.2	15.0	93	13.7	219.4	129.3
1932-33	19.7	17.7	90	13.5	240.6	149.3
1933-34	19.6	18.0	92	15.8	285.7	181.7
1934-35	18.4	....	..	....	251.7	142.9
1935-36	14.2 ¹	....	..	....	143.8 ¹	.....
Average 1924-34... ..	19.7	18.0	92.1	12.8	238.2	150.1

¹ Estimated.

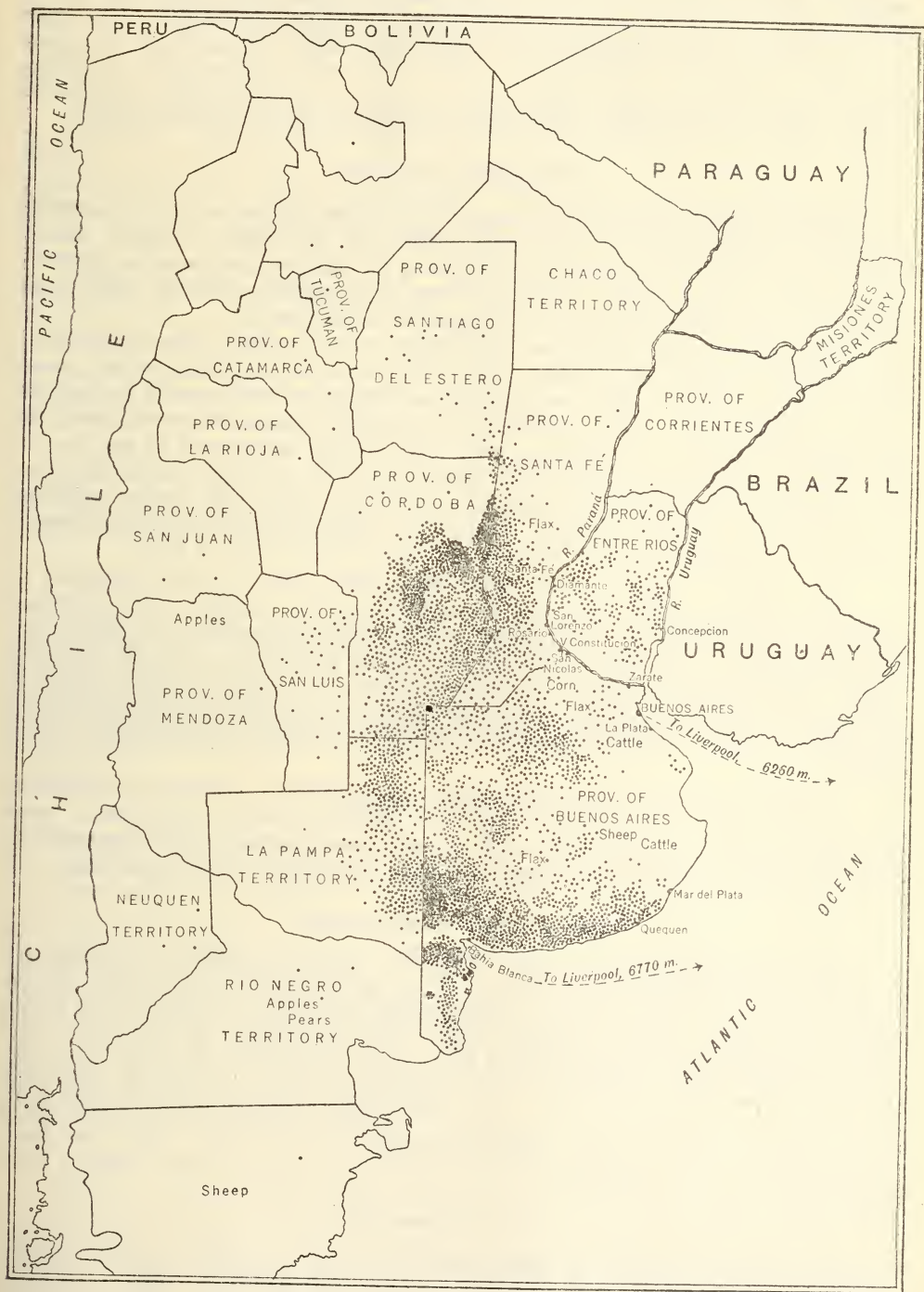
Average wheat yields in Argentina show wide variations as between producing zones. During the period from 1924 to 1934 Buenos Aires province produced 44 per cent of all the wheat with an average yield of 13.8 bushels per acre, Santa Fé 12 per cent of the production with an average yield of 14.1 bushels, and Cordoba with 29 per cent, an average of 13 bushels. These yields compare with an average of 12.8 bushels per acre harvested for the entire country. Further, while an average of 92.6 per cent of the acreage seeded in these three provinces is harvested, the average acreage harvested for the other provinces of Argentina, with 20 per cent of the acreage in wheat but only 15 per cent of the production, is 85.9 per cent. This indicates that a considerable proportion of the wheat acreage lost each year from drought, locusts, etc., is outside the main producing areas and the average yield per acre for the country is reduced by conditions in other than the principal growing districts.

DISTRIBUTION OF WHEAT EXPORTS

The following table indicates the distribution of Argentine wheat shipments from 1927 to 1934 and the relative importance of consuming areas:—

Argentine Wheat Exports

Year	U.K.	%	Europe	South America		% Others	Far East	Total	
				%	Millions of Bushels				
1927.. . . .	39.6	25	89.0	57	22.4	14	3	...	155.0
1928.. . . .	50.8	26	114.2	59	25.5	13	2	...	194.0
1929.. . . .	81.5	33	131.0	54	28.5	12	1	0.1	242.7
1930.. . . .	23.4	29	33.8	41	22.4	27	3	...	81.2
1931.. . . .	41.9	31	60.6	45	28.6	21	3	0.5	133.5
1932.. . . .	37.4	29	73.6	59	13.8	11	1	0.3	126.3
1933.. . . .	45.0	31	57.9	40	34.0	24	5	6.0	144.2
1934.. . . .	69.8	39	67.7	39	33.2	18	4	3.8	175.9
1935.. . . .	....	..	.....	..	....	..	..	...	141.7



The average domestic consumption of wheat in Argentina is 90,000,000 bushels. Brazil took an average of 26,000,000 bushels with the exception of 1932, when her purchases were made elsewhere by special agreement. This trade has been steady, with a tendency to increase since 1926. Other South American purchases are irregular and relatively small. The relative position of the European market has declined steadily as an outlet for Argentine wheat, whereas the tendency has been relatively improved in the case of the United Kingdom.

MARKETING OF WHEAT

Argentina has exported an average of 150 million bushels of wheat annually since 1925. Shipments were highest in 1929 with 242 million bushels, and at their lowest level for the period in 1926 when 82 million bushels were exported. The acreage sown to wheat increased from 17.7 million acres in 1924 to an average of 19.6 million acres for the past five-year period.

Wheat is sown in Argentina from May to July, which corresponds with November to January in Canada, although it may be added the wheat grows here during the winter. It is harvested from November in the north to January in the southern zone. The new crop consequently begins to move about the beginning of the year. During the past ten years an average of 48 per cent of the annual wheat exports was made during the first four months of the year and 74 per cent in the first seven months. There are only 100 country elevators in Argentina at present for bulk storage of wheat, and the terminal elevator capacity is 19,000,000 bushels in bulk and 9,000,000 bushels in bags.

The wheat is bagged on the farm direct from the combine harvester or threshing machine. The bags are transported to the railway under contract with firms or individuals specializing in this work and seldom by the farmer himself, unless it is by truck direct to the port in producing areas adjoining the coast. The storage capacity for bagged grain at the country rail points is limited. The sheds are usually owned by the railways, which are obliged legally to construct them. Frequently additional space is owned by the country grain dealer.

In addition, bagged grain is stored on open platforms covered by tarpaulins. The farmer pays for this storage too. The country dealer usually has a large part of all the space booked ahead. It is consequently difficult, if not impossible, for the farmer to do other than sell his wheat immediately after threshing.

THE COUNTRY GRAIN DEALER

The country grain dealer, who may be a general merchant or exclusively a grain dealer, is found in every town. He is an important factor in the Argentine wheat trade. On the basis of 147,000,000 bushels purchased by the Grain Regulating Board from the 1933-34 crop, which comprised 52 per cent of the total production and 75 per cent of the wheat exported, despite the fact that technically the farmer could sell direct to the board, actually only 11.6 per cent of the wheat was purchased direct from the farmer, including 1.6 per cent from tenant farmers, 6.1 per cent from farm owners, and 4.4 per cent from farm co-operatives. The remaining 88.4 per cent was purchased from country merchants and dealers.

FINANCING THE CROP

The independent country dealer buys for his own account from the farmer, although in some cases he is financed by the large exporting firms. In many cases he takes delivery of the wheat against previous cash advances to the farmer on his crop. He may buy the wheat outright or on the basis of an "open price" contract. In both cases the farmer is entitled legally to 96 per cent of the

price of the day. In the latter case 80 per cent of the advance is in the nature of a loan on which he pays interest at a high rate, but this gives him the right to make an outright sale at any time within the period fixed in the contract, providing he gives twenty-four hours' notice. The farmer must pay a premium for this type of contract.

In both cases the final price is subject to adjustment on the basis of standards of "fair average quality," which are established twice each year, on February 15 and March 15, by the grain exchanges in Buenos Aires and Rosario from samples taken from all shipments which have previously arrived at the ports. Allowances to the farmer are agreed upon for inferiority but no premiums are paid. Disputes are arbitrated by committees of the Grain Exchange.

The farmer is obviously at a disadvantage in selling under the present system and has little inducement to improve the quality of his wheat. Since there has been no official system of grading, the country dealer is in a position to make an additional profit by mixing the wheat. A similar practice is followed subsequently by the export firm. The farmer has little protection under the present system, but it is expected that the new official grading system established a few months ago will improve conditions.

The wheat is transported in bags by the railway to the ports, except that part handled by truck, and may be stored at the port in bags until emptied into the ships' holds or in bulk in the present limited terminal elevator space. Very little wheat is exported in bags.

FAIR AVERAGE QUALITY

Argentine wheat is sold for export on the basis of "fair average quality." Samples are taken from each cargo arriving in England, for example, of the different recognized types of Argentine wheat. At the end of each month the average quality as determined from these samples is taken as the basis of payment for cargoes arriving the following month, premiums or discounts applying according as to whether the quality of the particular cargo is above or below the average.

CURRENT DEVELOPMENTS

In view of the apparent disadvantages arising from the fact that there was no official inspection or grading of grain, no official weighing or public storage facilities, and for the purpose of improving the quality of grain produced and exported, the Argentine Government passed a new Grain Act last September. It included provisions for the establishment of an official grading system and for the control of the distribution of seed. It will be administered by a Grain Board. The present Grain Regulating Board, an official body which has since its inception in 1933 purchased wheat and other grain at the official basic prices as set by the Argentine Government and sold to exporters or millers at their discretion, may or may not be continued as an independent body apart from the organization under the new Grain Board.

GRADING SYSTEM

The new grading and inspection system was established under regulations approved by the Government in December last. Argentine wheat had been traded in on the basis of certain definite types which had evolved over a long period. These were as follows: (1) "Rosafé," a semi-hard wheat from the Rosario district; (2) "Barusso," the Argentine hard wheat grown in the south; (3) "Baril," a soft wheat from around Buenos Aires which was less well known in export trade; (4) "Up-river" wheat, which was a new grade established a few years ago to take in the poor qualities of "Rosafé" grown in the northern

area. In addition, there was "Superior" or "Brazil." This comprised selected wheats of the best qualities here and went to the Brazilian market.

THE NEW REGULATIONS

The new regulations recognize the country as being divided naturally into three producing zones. For each of the three zones, three types of wheat will be recognized in the official grades: a hard, semi-hard, and soft. Wheat from each of the three zones and for each type will be further subdivided as No. 1 and No. 2. The three zones will be: (1) Rosafé, the district which produced the present "Rosafé" or semi-hard wheats; (2) Bahia Blanca, the district from which Argentine hard or "Barusso" wheat comes; and (3) Buenos Aires, which produces the soft "Baril" wheat.

Provision is made for the exclusion from official grades of specified varieties of wheat which, while giving high yields, have been already found undesirable in quality. Other varieties that are found suitable may be added to this list as and when considered advisable. In future, trading in Argentina must be done on the basis of these grades, or when wheat is excluded from official grades, in the manner indicated on sample.

SEED GRAIN CONTROL

Provision is made for the appointment of a commission which will have under its control all matters relating to the production and distribution of grain for use as seed. Regulations have been issued requiring the registration of seed growers, who will only be permitted to offer for sale varieties already tested and officially approved and from land registered and subject to inspection. There are many varieties of wheat grown in Argentina due to the variation in climatic and moisture conditions from zone to zone. Further, farmers have in the past favoured a high-yielding wheat due to the fact that under the marketing system which has existed benefits accruing from production of wheats of better milling properties went to parties other than the producer.

GRAIN STORAGE

The Government have announced that 321 new country elevators with a capacity of 75,000 to 185,000 bushels each and fifteen new terminal elevators with a total capacity of 22,000,000 bushels will be constructed. These elevators are to be completed within four years from the beginning of building operations. The present terminal elevator capacity is 19,000,000 bushels. There are only 100 country elevators at present. When the construction program is completed, taking the average capacity of the proposed country elevators at 130,000 bushels each, Argentina will eventually have storage capacity for more than 83,000,000 bushels of wheat.

In order to indicate the distribution of the present and eventual terminal elevator capacity in relation to the movement of wheat through the different Argentine ports in past years, a table is given below in which the ports are grouped according to the main wheat-producing zones that each port serves. The zones selected correspond roughly to those under which the wheat will be graded under the new system previously referred to. The ports of the Buenos Aires zone, however, handle a fair share of the Rosafé zone wheat, since the latter wheat is frequently brought down the river in barges, due to the fact that the depth of the channel varies, preventing full loading up-river, to complete cargoes at Buenos Aires for export. Wheat is also brought to Buenos Aires from Necochea in the south for similar reasons. Otherwise Rosafé wheat is loaded at the ports listed up-river, and similarly Barusso wheat at the southern ports for direct shipments abroad:—

Argentine Elevator Capacity and Wheat Exports

Ports	Bulk Elevator Capacity			Wheat Exports	
	Present	New	Eventual	5-Yr. Ave. to 1935	Maximum of 5 Yrs.
Buenos Aires zone (Baril, Rosafé)—					
Thousands of Bushels					
Buenos Aires	6,220	5,695	11,900	21,498	26,316
La Plata	412	735	1,145	4,540	4,980
Zarate . . . . .	.....	368	368	13	18
Sub-total	6,632	6,798	13,413	26,051	.....
Rosafé zone (Rosafé)—					
Rosario	6,550	4,220	10,600	39,792	54,150
Santa Fé	533	1,627	2,161	9,971	17,850
Concepción	368	583	952	694	1,810
Constitución . . . . .	.....	1,837	1,837	1,522	1,781
Diamante . . . . .	.....	584	584	1,747	3,440
San Nicolas	250	1,835	2,088	1,223	2,095
San Lorenzo	331	.....	331	2,371	3,596
Other . . . . .	.....	.....	.....	1,180	.....
Sub-total	8,032	10,686	18,553	58,500	.....
Bahia Blanca zone (Barusso)—					
Bahia Blanca	4,680	2,205	6,890	48,700	58,240
Mar del Plata . . . . .	.....	698	698	1,604	1,850
Quequen . . . . .	.....	1,520	1,520	9,540	11,870
Sub-total	4,680	4,423	9,108	59,844	.....
Grand total	19,344	21,907	41,074	144,395	.....

The eventual terminal elevator capacity in the Buenos Aires zone will take care of 51·5 per cent of the five-year average annual exports. Terminal capacity at the Rosafé zone ports will take care of 31·9 per cent of average exports, but for the Bahia Blanca zone only 15·2 per cent of average exports.

PRESENT SITUATION

The short wheat and flax crops which have just been harvested led the Government last December to increase the basic minimum price on wheat from 1·56 to 2·72 pesos per bushel and on flaxseed from 2·90 to 3·61 pesos per bushel. Further, the Government have just announced that 14·7 million bushels of wheat and 9·4 million bushels of flaxseed will be purchased for distribution at nominal cost to 13,800 farmers for seed this year. The basic price on corn is being maintained for the present at 1·12 peso per bushel. The new corn crop which will be harvested in March and April is expected to be a record one and will follow the abnormally large crop of last year.

A PROSPEROUS TENANT FARMER

In contrast with the situation of many farmers resulting from the drought of last year, as indicated in the first part of this report, particulars may be given relating to the position of one tenant farmer who has just had the good fortune to harvest an excellent wheat crop. His farm is in one of the best wheat districts. He rents 600 acres, of which 300 acres was in wheat. The remainder was in flax and oats. Under his contract 30 per cent of the wheat went to the landlord as rent. He actually had 11,880 bushels of wheat to sell or a yield of 39·6 bushels per acre. Of this the landlord took 3,564 bushels. The remaining 8,316 bushels was sold at the official minimum price of 2·72 pesos per bushel delivered by truck at the port of Necochea. He consequently received 22,619 pesos for his wheat.

COST OF OPERATION

This farmer did his own cultivating and seeding but had the harvesting done by a combine-harvester owner. However, at the actual cost to him for harvesting and at prevailing rates in the district of hire for ploughing, etc., his costs were: ploughing and sowing, 840 pesos; seed, 840 pesos; bags, 1,200

pesos; harvesting, 3,240 pesos—or a total cost of 6,120 pesos, which left a net operating profit of 16,499 pesos on his wheat crop.

It will be noted that this particular farmer had an abnormally high yield even for his district. However, had he sold his wheat at last year's minimum price of 1·56 peso per bushel, his profit would have been 6,852 pesos, but if in addition his yield had been the ten-year average for the entire country of 12·9 bushels per acre, he would have had a loss of 1,878 pesos.

The average cost to this tenant of producing a bushel of wheat on his yield this year was 1·33 peso per bushel, but if his yield had been only 12·9 bushels, his costs would have been 2·39 pesos per bushel, and on a similar basis with his rent paid in wheat at 1·56, or last year's minimum, instead of 2·72 pesos per bushel as this year, his costs would have been 2·04 pesos per bushel. This figure may be compared with the official estimate as given previously, although the yield is taken here at 12·9 bushels or the ten-year average instead of 14·4, the official average taken for the 1933-34 crop.

Actually, on the basis of a 14·4 bushel yield and 1·56 peso wheat, this tenant's costs would have been 1·88 peso per bushel as compared with the official estimate of 1·63 peso in 1933-34 and 2·07 pesos for 1930-31. This tenant was close to the port and could deliver his wheat direct to the terminal elevator, so that trucking or rail freight and storage are not included, but his rent presumably would be correspondingly higher. Further, the labour costs shown would be higher than would be ordinarily chargeable, particularly as compared with labour charges for the smaller farmer whose own family did the work. However, it will be seen that the official estimates of costs of production correspond fairly closely with this actual case.

MINIMUM PRICES FOR GRAIN

The Argentine Government, in maintaining the basic minimum prices for wheat, flaxseed, and corn, meet any losses incurred from part of the profit which they derive through their operations in foreign exchange. All exchange arising from exports from Argentina is purchased by the Government at a fixed rate and sold again to importers here at varying rates which gives a net profit currently of approximately 10,000,000 pesos monthly. The Government has not incurred any important losses to date on their grain operations, but they are probably in a less favourable position this year on account of high basic prices recently set. The wheat and flaxseed surplus this year is small, but the corn crop is above normal.

IMPORTANCE OF LEGISLATION

The possible effect of recent legislation, as exemplified in the new Grain Act, on the quality of Argentine wheat exported would seem to be dependent more on the manner and spirit in which it is or possibly can be enforced than on the provisions of the act itself. The grain trade, including the large and influential export firms and the country dealers, are probably content at least to leave matters as they have been in the past. It will be most difficult for the authorities to grade and have importers abroad purchase wheat on the basis of official certificates issued here.

The actual producer, or as here the tenant farmer, has nothing to do with the marketing of his wheat and only a small proportion of the benefits to be derived from offering a higher quality of wheat will accrue to him under present conditions. The tendency will be towards a general improvement in quality, but it will not mean that the quality of wheat shipments in the future will surpass that of the best quality now exported. Something can and no doubt will be done towards eliminating unsuitable varieties of wheat, but unless means are found to pass the premium on to the tenant, he will be content, or rather prefer, to grow high-yielding varieties as in the past, since under the regulations it can still be sold on sample.

The average tenant farmer here as a consumer of imported or locally made products, apart from machinery and implements, is a more or less negligible quantity. Only 10·5 per cent of the 5,000,000 workers over fourteen years employed in all occupations in Argentina are engaged in agriculture, and farmers and farm labourers account for only 4·4 of the 12,000,000 population of the country. Nearly 20 per cent of the total population is in the city of Buenos Aires alone, this despite the fact that the wealth of Argentina is based almost solely on agriculture.

Consequently, the political influence of the tenant farmer is not very important. His standard of living is low, and the possible effects of education on his demands in this respect will be something for the more distant future. The large farm units, with the consequent difficulty in the way of providing means of communication and educational facilities, combined with the Southern European type of tenant, does not make for united action towards the improvement of living conditions.

Producers' co-operative societies have not so far had any important influence towards improving the lot of the tenant. In 1933 there were 251 rural co-operatives registered with an aggregate membership of 38,219. The capital was less than \$3,000,000 Canadian and the annual turnover under \$10,000,000. These, however, cover insurance and consumers' co-operatives, etc., but only in a few isolated cases, and these mainly in the Northern area where there is a better type who are small owners, do they extend to the handling of grain. The large landowners are, of course, interested in increasing their returns in the form of rent, and their influence is altogether out of proportion to their numbers.

TRADE AGREEMENT BETWEEN UNITED STATES AND FRANCE

A Trade Agreement between the United States and France was signed at Washington on May 6 and is to come into force on June 15, 1936. By this agreement the United States is accorded most-favoured-nation treatment by France except as regards a list of some forty items specifically reserved.

The United States therefore secures the minimum tariff on many products heretofore dutiable at intermediate or general tariff rates. Among the products on which the duty is reduced for imports from the United States by reason of the application of most-favoured-nation treatment are: canned salmon and crustacea, tires and tubes and various other rubber manufactures, wallboard, and many chemicals and textiles.

Reductions in duty ranging from a slight decrease to one-half of the existing rates are accorded to the United States on nineteen items, including grapefruit, dried prunes, raisins, canned pineapple, canned asparagus, sewing machine heads, cash registers, automobile chassis, spark plugs, fountain pens, pencils.

Continuance of the existing rates of duty is guaranteed on a number of articles, including frozen salmon, dried apples, cut paper and cardboard, vulcanized fibre, motion picture films, and certain accessories for motor cars.

The United States is accorded quota concessions on forty-four products. Among the concessions is a quota for the year 1936 of 10,000 metric quintals of canned salmon, on which commodity the United States had not previously been accorded any quota. Supplementary quotas for 1936 in addition to the amounts the United States is already accorded on the basis of previous importations include: apples, 134,355 metric quintals; agricultural implements, 4,400 metric quintals; automobiles, 6,750 metric quintals; and silk stockings, 11,800 dozen pairs.

The import tax of 6 per cent on manufactured goods and of 4 per cent on semi-manufactured goods is reduced to 2 per cent on imports from the United States.

Concessions made by the United States to France include most-favoured-nation treatment in tariff matters as well as reductions in duty on seventy-one items affecting fifty-one paragraphs of the United States tariff, the most important of which are: perfumes, vanilla beans, tinsel products, Roquefort cheese, brandy and wines, broadsilks, lace, cigarette paper, and red clover seed.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Tariff Changes

Under the Additional Import Duties (No. 9) Order, 1936, of the United Kingdom the import duty on sodium bichromate has been increased to 8s. per cwt., and on potassium bichromate to 10s. per cwt., both formerly 10 per cent ad valorem. The new rates became effective April 24.

Goods which are Canadian products within the meaning of the Imperial preference regulations are exempt from the foregoing duties under the terms of the Canada-United Kingdom Trade Agreement, 1932.

Proposed United Kingdom Tariff Revision: Typewriters

The Import Duties Advisory Committee of the United Kingdom give notice of an application for an increase in the import duty on typewriters and on parts (not being ribbon spools) of typewriters, or of accounting, adding, listing, book-keeping, or billing machines.

The present duties on such goods are: three-bank machines up to 22 pounds, £1 5s. each; four-bank machines up to 22 pounds, £2 each; machines exceeding 22 pounds, £3 10s. each, with provision in each case for an ad valorem rate of 20 per cent where it would yield a greater amount of duty.

Exception from the foregoing duties is accorded if at least 50 per cent of the factory cost of the machines, computed according to official regulations, is attributable to British Empire labour and/or material, and the goods are consigned direct from a part of the Empire to the United Kingdom.

United Kingdom Tariff on Lead Capsules

The United Kingdom Additional Import Duties (No. 10) Order, 1936, imposes as from May 2 a duty of 15 per cent ad valorem plus a specific duty of 1s. 8d. per 1,000 on capsules containing more than 75 per cent by weight of lead, of a description commonly used on bottles, jars, cans, and similar containers, in lieu of the duty of 20 per cent ad valorem formerly chargeable.

Goods of the foregoing descriptions which are Canadian products within the meaning of the Imperial preference regulations are guaranteed duty-free entry under the terms of the Canada-United Kingdom Trade Agreement of 1932.

Irish Free State-German Trade Agreement

Mr. James Cormack, Canadian Trade Commissioner in Dublin, reports that the Government Information Bureau has issued a statement to the effect that the trade agreement signed in January, 1935, between Saorstát Éireann and Germany has been extended for a period of one year, beginning April 1, 1936.

An important modification from the Saorstát point of view has, however, been made to the effect that for the year in question a reduced ratio of 2 to 1 has been agreed on as between Saorstát imports from Germany and Saorstát exports to that country; the former figure was 3 to 1. The new arrangements made include provision for the exportation to Germany of cattle, eggs, butter, horses, wool, hides, skins, certain meat products, and other goods.

Exports from the Irish Free State to Germany in 1935 were valued at £485,651 compared with £136,387 in 1934, and imports from Germany into the Free State at £1,415,114 as compared with £2,278,519 in 1934.

Irish Free State Control of Imports

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by order of the Executive Council, the import quota for hosiery and half hosiery of silk and artificial silk has been fixed at 361,000 pairs for the period June 1 to November 30, 1936, as against 585,000 pairs in the previous six months' period.

Regulations Affecting Flour in New Zealand

C. M. CROFT, CANADIAN TRADE COMMISSIONER

Auckland, N.Z., April 11, 1936.—Reference has been made in previous issues of the *Commercial Intelligence Journal* to the steps which have been taken to stabilize the wheat, flour, and bread-making industries in New Zealand, and to the regulations which have been made effective to prohibit the importation of wheat flour from overseas countries except under permit.

Permits have been issued to importers of Canadian flour covering their immediate requirements, but it is understood that each application for a permit is carefully reviewed and permits have been issued for only usual and reasonable requirements. It is the general impression of the trade, based on statements made by the Minister of Industries and Commerce, that steps will be taken to mill imported wheat in New Zealand rather than import flour from overseas countries, and when such arrangements are completed the market for flour will disappear.

BOARD OF TRADE (FLOUR) REGULATIONS, 1936

Regulations have recently been gazetted in New Zealand, called the Board of Trade (Flour) Regulations, 1936, which give powers to the Wheat Committee to buy, sell, deal in, and act as agent for the sale and purchase of flour, the word "flour" being defined as "flour and wheatmeal, and includes bran and pollard and any other product of the milling of wheat, but does not include bran or pollard imported from overseas."

The committee may establish a fund or funds for the equalization of returns to millers and may make payments to millers from any such fund under any scheme of apportionment that may appear fair and equitable. Authority is given to the Wheat Committee to establish, out of the moneys coming into its hands, a fund for the purchase of lands and machinery and other assets, comprising mills which in the opinion of the committee are not required for the best conduct of the flour-milling industry in New Zealand, and the committee may purchase and acquire any such lands, machinery, or other assets and may hold and maintain and at any time sell and dispose of any of the property so acquired.

The committee may invest the moneys of any fund established for the purposes outlined. The usual provisions are made for the financial operations of the committee—that is to say, the establishment of a bank account and the operation thereon, the power to sue for, recover, enforce, and receive all debts, damages, claims, contracts, and moneys due, owing, or claimable, and similar considerations. The regulations provide authority for the committee to "exercise any of its powers within New Zealand or elsewhere."

REGULATION AFFECTING MILLOWNERS

One of the regulations relates to the millowners, and provides, *inter alia*, that, except through the agency of the Wheat Committee, no miller shall sell, or offer or agree to sell, or purchase or offer or agree to purchase, any flour, or be concerned in the making or fulfilment or completion of any sale or purchase

of flour, or of any offering or agreement for the sale or purchase of flour, whether such fulfilment or completion relates to an offer or agreement made before or after the enactment of the regulations.

Every miller is required to employ the committee as his agent to sell and dispose of all flour which he has available for sale for delivery in New Zealand and elsewhere; however, provision is made for any miller to grist wheat and effect retail sales for cash at the mill door up to a total quantity of 5 tons of flour in any secular month, but that returns for any such sales must be made to the committee.

Furthermore, any miller whose annual output does not exceed 50 tons of flour may, with the consent of the committee, grist wheat and sell flour up to the annual output other than through the agency of the committee, **subject to** returns being furnished to the committee at specified times. Every miller desiring to purchase flour, whether in New Zealand or elsewhere, shall, if the committee thinks fit so to require, employ the committee as his agent to effect such purchase.

SALE PRICES

It is prescribed that the Wheat Committee shall from time to time fix and notify current sale prices for flour of fair average quality, and may, if it thinks fit, fix and notify varying current sale prices according to the nature of the product, or by-product character of wheat gristed, locality of milling, or any other factor which in the opinion of the committee affects the value of the flour or product.

QUOTAS

The committee shall in respect of every month fix in respect of every mill a monthly quota of flour, and may, when fixing such a quota, fix separately the amounts of white flour, wheatmeal, bran, pollard, and any other product of the milling of wheat. The quota for any mill is, as far as possible, to bear the same proportion to the aggregate of monthly quotas as the usual output of the mill bears to the total usual output of all mills in New Zealand.

The Wheat Committee shall in every month endeavour to sell on behalf of every miller at the appropriate current sale price the monthly quota of flour fixed for that month. In respect of quantities undersold or oversold in any month on behalf of any miller, the committee shall make an adjustment, as far as may be, in the sales of a subsequent month.

Regulations are provided defining the liabilities arising on the sale of flour and defining the responsibilities of the committee and the millers; furthermore, the method of accounting and making payments as well as the keeping of books and records is amply covered by the regulations.

MILLING OF IMPORTED AND SURPLUS WHEAT

One of the regulations of interest to Canada is that which provides that the committee may arrange with any miller to manufacture flour from imported wheat upon such terms as the committee thinks fit. Flour manufactured from imported wheat shall be taken into account in monthly quotas and for all other purposes of the regulations. If at any time the Wheat Committee has at its disposal any wheat which is, in its opinion, in excess of present and prospective New Zealand requirements, it may arrange with any miller to manufacture flour from such wheat and the flour so manufactured shall be carried over or exported by the committee as it may think fit.

FLOUR BELOW FAIR AVERAGE QUALITY: ACTION TO BE TAKEN

The action to be taken by the committee, if it is of the opinion that inferior flour is being produced, is covered by one of the regulations. If the committee has reason to believe that the flour produced at any mill is generally below fair average quality in accordance with the standard determined from time to time by the committee, the committee may, after notifying the miller of its intention, appoint an independent expert to report on the quality of such flour.

If according to the report the flour is actually below fair average quality, the committee may cancel the monthly quota fixed for the mill or part thereof until such time as the committee is satisfied by the report of an independent expert that the flour being produced in such mill is of fair average quality.

If any specific parcel of flour is found, on the report of an independent expert, to be below fair average quality, the committee may reject the flour in question, or may sell it at a price lower than the current sale price, or, if the flour has already been sold, may agree with the purchaser for such abatement of the purchase price as seems just; no flour rejected by the committee under this provision may be offered by the miller or by any other person for sale for human consumption unless by permission of the committee such flour is reconditioned by the miller and the committee is satisfied that it is then of fair average quality.

Bread Improvers in New Zealand: Change in the Regulations

Mr. C. M. Croft, Canadian Trade Commissioner in Auckland, writes under date April 11, 1936, that the regulations under the Sale of Food and Drugs Act of New Zealand have, under the definition of flour, provided that "it shall not contain any added substance." This has now been amended by adding thereto after the word "substance" the words "except calcium acid phosphate (calculated as $\text{CaH}_4(\text{PO}_4)_2$), which may be added in a proportion not exceeding three-tenths of the one part per centum (calculated on a dry basis)."

Thus the long-standing prohibition of the use of bread improvers in New Zealand has been lifted to the extent of permitting the use of calcium acid phosphate for this purpose. For a number of years there has been more or less agitation on the part of certain of the bakers for permission to use some improver, but the Health Department has consistently been opposed to it although the Wheat Research Institute gave some support to the proposal.

Arguments favouring the limited use of bread improvers were summarized last year in a report by a committee of the Wheat Research Institute. It was stated that improvers were used to make up a deficiency of certain natural substances which affected the action of starch or gluten; that if the prohibition against bread improvers were lifted, it would result in a reduction in the quantity of imported flour which the bakers were using to strengthen the locally produced flour. The Director of the Wheat Research Institute stated subsequently that it had been established that there was a definite connection between a calcium phosphate improver and the development of bone and teeth in human beings.

The regulation permitting the use of the bread improver mentioned follows the prohibition of the importation of wheat flour from overseas countries, except under permit.

The quantity of calcium acid phosphate permitted to be added to flour is $9\frac{3}{8}$ ounces to a 200-pound sack of flour.

Australian Customs Rulings

Recent decisions of the Australian Department of Trade and Customs as to the classification and rates of duty on imported goods regarding which question had been raised include the following that may be of interest to Canadian exporters:—

Rotary electric switches of two or more heat type, and rotary electric switches of other types when for use with electric heating and cooking appliances or with tailors' electric irons, of a class or kind not commercially manufactured in Australia, are admissible under Item 415A2, free of duty under the British preferential tariff (applicable to Canada) and at 15 per cent ad valorem under the general tariff; alternating current watt-hour meters of the maximum demand type are now under Item 174Y, free of duty under the British preferential tariff (applicable to Canada) and 15 per cent ad valorem under the general tariff; true vegetable parchment in sizes less than 8 by 38 inches or its equivalent but greater than 12 by 12 inches or its equivalent, if a wrapping paper, is admissible under Item 334G1a at 5s. per cwt. (112 pounds) under the British preferential tariff and 7s. per cwt. under the general tariff (the latter rate being applicable to Canada); similar parchment if not a wrapping paper is admissible under Item 334-0-3 at 15 per cent ad valorem under the British preferential tariff (applicable to Canada) and 30 per cent ad valorem under the general tariff.

The following goods are admissible under Item 404 as "materials and minor articles of a class or kind not commercially produced or manufactured in Australia, for use in the manufacture of goods within the Commonwealth":—

Door hinge assemblies for use in the manufacture of electric stoves; woven silk piece-goods for use in the manufacture of brassieres and corsets; tissue paper for use in the manufacture of cigarette papers in packets and cigarette tubes, provided it is removed, on entry for consumption, to a licensed factory. Goods entered under Item 404 are free under the British preferential tariff (applicable to Canada) and pay 15 per cent ad valorem under the general tariff.

South African Tariff Changes

Mr. G. R. Heasman, Canadian Trade Commissioner in Cape Town, writes under date March 31, 1936, that, in the Budget Speech of March 25, the Minister of Finance for the Union Government announced a number of proposed tariff changes, covering both increases and decreases. The tariff increases went into effect on March 26, 1936, and of interest to Canada are those affecting "peas, beans, and lentils, preserved as a vegetable" (Item-35-1-c), on which the new rates are 2d. per pound minimum tariff, 2½d. intermediate and maximum tariffs; and the new rate on "leather: bellies and shoulders, not being sole leathers" (Item 256a), was 20 per cent ad valorem, or if higher 3d. per pound under all tariffs. On all the foregoing articles the former rate was 20 per cent ad valorem under all tariffs. On both these items the intermediate tariff is the one which applies to Canada.

The Minister of Finance announced that the duty on tea would be reduced by 2d. per pound, and that the duties on medicines, hardware, pedal-cycles, radio apparatus, gramophones, clocks and watches, toys and sporting goods, would also be reduced.

The minister also referred to a recent report submitted by the Customs Tariff Commission, and stated that as a result of the work of this commission, approximately 140 tariff items or parts thereof had been classified as purely revenue duties and on which it would be possible to reduce the duties without affecting any local industries that may have grown up behind the present tariff. In view of this statement, there is now reason to believe that many of the recommendations of the Tariff Commission will be adopted.

St. Lucia Tariff on Wines Amended

The Legislative Council of St. Lucia, on March 21, amended the customs tariff on wine, introducing the following new rates of duty.

	British Preferential Tariff	General Tariff
Sparkling wine:		
Not exceeding 20s. per gallon, c.i.f. value	3s. 4d. per gal.	5s. per gal.
Exceeding 20s. but not exceeding 35s. per gallon, c.i.f. value	5s. per gal.	7s. 6d. per gal.
Exceeding 35s. but not exceeding 50s. per gallon, c.i.f. value	6s. 8d. per gal.	10s. per gal.
Still wine, including Vermouth:		
In bulk	8d. per gal.	1s. per gal.
In bottles	1s. 8d. per gal.	2s. 6d. per gal.

Formerly all wines were dutiable at 20 per cent ad valorem under the British preferential tariff and 30 per cent ad valorem under the general tariff, with a surtax of 25 per cent of the duty in each case. Canadian wines are admitted under the British preferential tariff.

Netherlands Import Restrictions on Rubber Boots

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Rotterdam, writing under date May 5, 1936, states that by a royal decree of April 29, 1936, the restrictions on the importation into the Netherlands on rubber boots, to which reference was made in *Commercial Intelligence Journal* No. 1633 (May 18, 1935), page 912, have been extended. During the period from May 1, 1936, to April 30, 1937, inclusive, imports from each exporting country shall not exceed 35 per cent of the average number of pairs imported during 1934. The previous quota was 35 per cent of the average number of pairs imported per twelve months during the years 1930 and 1931.

It is specified, however, that the Minister of Commerce, Industry, and Shipping may grant special quotas to designated countries.

Mexican Tariff Change

Mr. S. G. MacDonald, Acting Canadian Trade Commissioner at Mexico City, writing under date May 11, reports that by a decree effective April 27, 1936, the Mexican duty on cereals, flours, or starches, in flakes or conglomerated, cooked or toasted, has been increased from 58 to 80 centavos per kilo (7·3 cents to 10 cents Canadian per pound).

Certificates of Origin for Netherlands India

With reference to the article in *Commercial Intelligence Journal* No. 1679 (April 4, 1936), page 617, Mr. R. P. Bower, Acting Trade Commissioner at Batavia, writes under date April 23 that the local Department of Economic Affairs advises that certificates of origin issued by officially recognized chambers of commerce in Canada will be considered satisfactory by the customs authorities of Netherlands India. A statement appended to the invoice and reading as follows will be satisfactory: "This is to certify that each article on this invoice is bona fide the produce or manufacture of Canada."

Suspension of Luxury Importations into Chile

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, Peru, cables under date May 18 that the Chilean Exchange Control Board have announced the suspension for an indefinite period of importations of automobiles, wireless receiving sets, and other luxuries, from May 15.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 18

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending May 18, 1936, with the official bank rate. Quotations for the week ending May 11, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 11	Nominal Quotations in Montreal Week ending May 18	Official Bank Rate
Austria	Schilling	.1407	\$.1875	\$.1879	3½
Belgium	Belga	.1001	.1700	.1696	2
Bulgaria	Lev	.0072	.0129	.0129	6
Czechoslovakia	Krone	.0296	.0416	.0416	3
Denmark	Krone	.2680	.2219	.2225	3½
Finland	Markka	.0252	.0219	.0220	4
France	Franc	.0392	.0660	.0661	6
Germany	Reichsmark	.2382	.4041	.4038	4
Great Britain	Pound	4.8666	4.9675	4.9850	2
Greece	Drachma	.0130	.0093	.0093	7
Holland	Guilder	.4020	.6775	.6778	2½
Hungary	Pengo	.1749	.2948	.2921	4
Italy	Lira	.0526	.0787	.0786	5
Jugo-Slavia	Dinar	.0176	.0229	.0230	5
Norway	Krone	.2680	.2497	.2504	3½
Portugal	Escudo	.0442	.0452	.0452	5
Roumania	Leu	.0060	.0076	.0073	4½
Spain	Peseta	.1930	.1366	.1369	5
Sweden	Krona	.2680	.2562	.2569	2½
Switzerland	Franc	.1930	.3240	.3244	2½
United States	Dollar	1.0000	1.0009	1.0031	1½
Poland	Zloty	.1122	.1885	.1890	5
Argentina	Peso (Paper)	.4245	.3314	.3320	—
Brazil	Milreis (Paper)	.1196	.0859	.0862	—
Chile	Peso	.1217	.0500	.0508	4½
Colombia	Peso	.9733	.5703	.5741	4
Mexico	Peso	.4985	.2779	.2785	4-5
Peru	Sol	.2800	.2489	.2495	6
Venezuela	Bolivar	.1930	.2552	.2508	—
Uruguay	Peso	1.0342	.7982	.7944	—
China (Shanghai)	Dollar	.....	.2980	.2980	—
Cuba	Peso	1.0000	.9999	1.0025	—
Hongkong	Dollar	.....	.3263	.3263	—
India	Rupee	.3650	.3753	.3761	3
Japan	Yen	.4985	.2902	.2920	3.29
Java	Guilder	.4020	.6804	.6811	4
Siam	Baht (Tical)	.4424	.4551	.4558	—
Straits Settlements	Dollar	.5678	.5823	.5840	—
South Africa	Pound	4.8666	4.9612	4.9800	—
British Guiana	Dollar	1.0138	1.0350	1.0387	—
Jamaica	Pound	4.8666	4.9775	4.9950	—
Other British West Indies	Dollar	1.0138	1.0350	1.0387	—
Martinique	Franc	.0392	.0660	.0661	—
Guadeloupe	Franc	.0392	.0660	.0661	—
Australia	Pound	4.8666	3.9737	3.9887	—
Egypt	Pound (100 Piastres)	4.9431	5.0950	5.1150	—
New Zealand	Pound	4.8666	4.0050	4.0200	—
Argentina	Free	Free	.2753	.2764	—
Brazil	Free	Free	.0561	.0562	—
Chile	Free	Free	.0400	.0407	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Recovery in French franc rates was quite marked during the week ended May 16. It followed after a statement that the parties of the Left, which gained control of the Chamber of Deputies in recent elections, would support the present gold parity of the franc. Increases in the Bank of France holdings of foreign exchange at this same time were viewed as an indication of foreign co-operation in supporting the franc. A premium on New York funds at Montreal has again appeared after a three-day period, from the 7th to the 9th, when the United States dollar was quoted at par. On May 16 this premium was 0.3 per cent while the £ was quoted at \$4.9805.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Codfish.....	318	Ciudad Trujillo, Dominican Republic.	Agency.
Sardines (in Tins).....	319	Santo Domingo, Dominican Republic.	Agency.
Canned Goods, particularly Salmon, Pilchards, and Fruit.	320	Amsterdam, Holland.....	Agency.
Apples in Boxes.....	321	Buenos Aires, Argentina...	Purchase and Agency.
Alimentary Pastes, especially Macaroni.	322	Rotterdam, Holland.....	Purchase and Agency.
Pickled Pork Snouts, Tails, Cheeks, Ribs and Trimmings.	323	Georgetown, British Guiana	Agency.
Miscellaneous—			
Linen Buttons.....	324	Voorburg, Z.H., Holland..	Agency.
Small Jewellery.....	325	New York, U.S.A.....	Agency.
4½-inch Dolly Clothes Pins.....	326	Glasgow, Scotland.....	Agency.
Corn Brooms (2, 3 and 4 Threads)	327	Georgetown, British Guiana	Agency.
Broom Handles.....	328	Glasgow, Scotland.....	Agency.
Blankets.....	329	San Pedro de Macoris, Dominican Republic.	Agency.
Men's Shirts.....	330	Cape Town, South Africa..	Agency.
Baby Bath Tubs (Rubber).....	331	Amsterdam, Holland.....	Agency.
Tire Mill Ends (Uncured Cord Tire Friction Scrap).	332	Kobe, Japan.....	Purchase.
Cement.....	333	Ciudad Trujillo, Dominican Republic.	Agency.
Steel Strapping and Other Packing Materials.	334	The Hague, Holland.....	Agency.
Electrical Domestic Ware.....	335	New York, U.S.A.....	Agency.
Bathroom Fittings.....	336	New York, U.S.A.....	Agency.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Atholl, May 29; Duchess of York, June 5; Duchess of Richmond, June 12—all Canadian Pacific; Andania, Cunard-White Star Line, June 5.

To London.—Beaverbrae, May 29; Beaverhill, June 5; Beaverford, June 12—all Canadian Pacific; Aurania, May 29; Ausonia, June 5; Alaunia, June 12—all Cunard-White Star Line.

To Manchester.—Manchester Commerce, May 28; Manchester Division, June 4; Manchester Regiment, June 11—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Dakotian, May 25; Norwegian, June 12—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montrose, Canadian Pacific, June 6.

To Cardiff, Bristol and Swansea.—New York City, Bristol City Line, June 3.

To Glasgow.—Athenia, May 28; Sulairia, June 5; Letitia, June 12—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnglen, May 28; Cairnross, June 11—both Cairn-Thomson Line.

To Dublin and Belfast.—Kenbane Head (cargo accepted for Londonderry and Cork), Head Line, June 10.

To Antwerp.—Beaverbrae, May 29; Beaverhill, June 5; Beaverford, June 12—all Canadian Pacific; Hada County (calls at Havre), County Line, June 2.

To Rotterdam.—Columbia, County Line, June 7.

To Hamburg.—Frankfurt (calls at Bremen), North German Lloyd Line, June 12.

To Copenhagen, Gothenburg and Baltic Ports.—A steamer, Swedish-America-Mexico Line, June.

To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.—Aakre, Gardiaz Line, June 18.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Olmo, June 2; Capo Lena, June 30—both Capo Line.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., June 5.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., June 1.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Chomedy, Canadian National, May 28.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Somers, Canadian National, May 27.

To Brisbane, Sydney, Melbourne, Dunedin and Lyttelton.—City of Delhi, May 30; Canadian Challenger, June 30—both Montreal Australia New Zealand Line.

To Auckland, Wellington, Melbourne, Sydney and Adelaide.—Canadian Conqueror, June 24; Canadian Victor, July 24—both Montreal Australia New Zealand Line.

To Manila, Hongkong, Shanghai, Yokohama and Dairen.—City of Florence, Ellerman & Bucknall SS. Co., June 6; Rhexenor (does not call at Yokohama or Dairen), Blue Funnel-Java New York Line, June 13.

To Sierra Leone, Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Titan, Elder Dempster Lines Ltd., May 27.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.—City of Auckland, June 3; City of Shanghai, June 10—both Ellerman & Bucknall SS. Co.

To Colombia, Ecuador, Peru and Chile.—A steamer, Canadian National, monthly.

To Santos and Buenos Aires.—Leto, International Freighting Corp., June 6.

From Quebec

To Southampton.—Empress of Australia, May 30; Empress of Britain, June 12—both Canadian Pacific.

From Saint John

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Canadian National, May 27.

To Kingston and Jamaican Outports.—Crawford Ellis, United Fruit Line, May 29.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Madras and Calcutta.—A steamer, American and Indian Line, May.

From Halifax

To Liverpool.—Newfoundland, May 26; Nova Scotia, June 13—both Furness Line.

To London and Hamburg.—Artigas (calls at Hull, Leith and Dundee), American Hampton Roads, June 6.

To Aberdeen, Newcastle and Hull.—Cavallo, Ellerman's Wilson Line, June 12.

To Copenhagen and Baltic Ports.—Batory (calls at Gdynia), Gdynia-America Line, June 3.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, Furness-Red Cross Line, May 25; Newfoundland (does not call at St. Pierre), Newfoundland Ry. and SS. Co., May 26; Magnhild, Newfoundland-Canada SS. Ltd., June 3; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., June 3.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, Canadian National, June 4.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—A steamer, Ocean Dominion Line, May.

To Santiago (Cuba) and Kingston (Jamaica).—A steamer, Pickford & Black Ltd., June.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Chomedy, Canadian National, June 1.

To Kingston (Jamaica) and Belize (British Honduras).—Cavalier, Canadian National, May 25.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silvercypress, June 6; Siamese Prince, June 20; Silverwalnut, July 4—all Silver-Prince Line.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, May.

From Vancouver

To Yokohama, Kobe and Osaka.—Hikawa Maru, June 13; Hiye Maru, June 27; Heian Maru, July 18—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Japan (calls Honolulu), May 30; Empress of Asia (calls Nagasaki), June 10; Empress of Canada (calls Honolulu), June 27; Empress of Russia (calls Nagasaki), July 11—all Canadian Pacific; Talthybius, May 31; Tyndareus, June 28—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colmobo and Bombay.—Tosari, Silver-Java Line, May 30.

To Honolulu, Suva, Auckland and Sydney.—Niagara, June 17; Aorangi, July 15—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Coast, June 15; Golden Bear, July 18—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Waiotapu, June 6; Limerick, July 14—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., June.

To Sydney, Melbourne and Adelaide.—Loch Lomond, May; Bolton Hall, May-June; Hartlepool, May-June—all Australian Freight Line.

To London, Liverpool and Cardiff.—Paris City, Reardon Smith Line, May 27.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—Europa, East Asiatic Co., May 28.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., June.

To Scandinavian Ports.—Margaret Johnson, June 3; Buenos Aires, Aug. 6—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—A steamer, Empire Shipping Co., June.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Celtic Monarch, Canadian Transport Co., May 29.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverpalm, Silver-Java Pacific Line, June 5.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Evanger, May 30; Hoyanger, June 22—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Paris City (calls at Cardiff), Reardon Smith Line Ltd., May 25; Pacific Pioneer (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., May 25; Gregalia (calls at Glasgow), Balfour Guthrie & Co., May 29.

To United Kingdom Ports.—Kinross, Canadian Transport Co., May 25; Segunda, June 1; Phaex, June 4; Nordbo, June 5—all Anglo-Canadian Shipping Co., Martin Baake, Canada Shipping Co., June 4; Gothic Star, American Mail Line, June 8.

To Yokohama, Kobe, Osaka, Shanghai, Hongkong and Miike.—Tyndareus, Dodwell & Co., Ltd., June 10.

To Shanghai.—Hartington, Ocean Shipping Co., May 25.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C. G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian.* (See also Netherlands India.)

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

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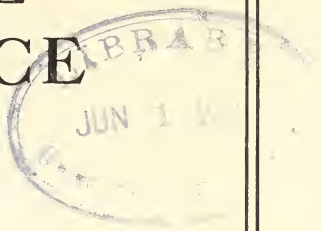
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COMMERCIAL
INTELLIGENCE
JOURNAL



Vol. LIV

Ottawa, May 30, 1936

No. 1687



One of 65 Railway Bridges in Central China, prefabricated in Vancouver of Creosoted Douglas Fir Timber (*See p. 1040*)

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THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, May 30, 1936

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GOVERNMENT ASSISTANCE TO THE ARGENTINE DAIRY INDUSTRY

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, April 22, 1936.—The Argentine dairy industry produces casein, butter, and cheese for export markets. Whereas the export demand for Argentine casein and cheese of the European types has even increased during the past four years, butter exports fell off sharply in 1933 from a previous seven-year average of 50,000,000 pounds to 30,000,000 and to only 15,000,000 pounds last year. Similarly butter production decreased from 81,000,000 in 1932 to 65,000,000 pounds in 1934. The difficulties experienced may be attributed largely to the fact that butter shipments to the United Kingdom fell from 46,000,000 pounds in 1930 to only 9,000,000 in 1934 following the application of the British preferential duties.

PURPOSE IN REGULATION

The Argentine Government established a temporary Dairy Regulating Board in April, 1934. There was a twofold purpose in mind in assisting the dairy industry. The almost simultaneous loss of their share in the United Kingdom market and the arbitrary depreciation of the Argentine currency three years ago made it expedient that measures be adopted with a view to stabilizing the industry at the necessarily reduced level of production and to ensure as far as possible that any benefits accruing from the currency depreciation would be passed on to the producer.

In addition, dairying in Argentina is really a subsidiary industry to beef production. Exports of beef to the United Kingdom had just previously been placed on a quota basis, so that no increase in the volume of shipments abroad could be expected. It was consequently important that farmers already engaged in dairying should be encouraged to remain in the industry in order that advantage could be taken of any subsequent improvement in the demand for dairy products.

CONDITIONS OF PRODUCTION

Of the 30,000,000 cattle in Argentina, approximately 3,000,000 produce milk for dairy products and for fluid consumption. The cows of the dairy breeds, mostly a local variation of the Holstein-Friesian breed, are pretty well confined to the very large dairy farms that supply fluid milk to the cities of Buenos Aires and Rosario. It may be added that one of these farms alone has 8,000 Holstein cows on 20,000 acres of pasture land. However, the bulk of the aggregate production of dairy products, which amounted to 65,000,000 pounds of butter, 110,000,000 pounds of cheese, and 46,000,000 pounds of lactic casein in 1934, came from cows of the beef breeds, mostly Shorthorns and Red Polled Angus. It is estimated that 65 per cent of all the Argentine cattle are from pure strains of Shorthorns, Red and Black Polled Angus, Herefords, etc., the herds having

been built up and constantly renewed through the importation of new blood from England over a long period.

SIZE OF FARMS

Large-scale production is as typical of the dairy industry as of grain or beef production in Argentina. A single landowner will have an estate, seldom less than 25,000 acres for beef cattle, frequently 50,000 acres, and in some cases even 200,000 acres—the latter in several blocks, in grass and alfalfa adjoining similar large estates which lease farms to tenants to grow wheat and other grain. Cattle are mostly on land that is equally suitable for grain, although the two are seldom mixed by single landowners. Further, it is estimated that 90 per cent of the cattle in Argentina are held by landowners with 250 head or more each.

SYSTEM OF LAND TENURE

The usual practice in the dairy industry here is for certain large cattle owners to divide a section of their property into separate units—the average is 625 acres—place up to 200 Shorthorn or other beef breed of cows on it, and lease the unit to a tenant either on a cash or share basis. If on a share basis, the tenant has no cash investment and the usual terms are that 50 per cent of the milk goes to the landlord. There are no buildings on the property except a small adobe house. Milking is done only once a day. The calves run with the cows and in due course are transferred to the owner. The cows are on pasture, frequently alfalfa, the year round. No grain is fed, although a forage crop as oats is sometimes grown. Milk production is therefore essentially a side issue with the landlord and breeding for beef purposes is the rule.

TENANT FARMERS

Whereas most Southern European nationalities are found among the tenants producing grain, dairying is almost exclusively in the hands of Spanish immigrants. They are hard-working and thrifty. The families—which are usually large—generally do the work. Profits earned in good times, however, never go towards improving their standard of living; and it is seldom or ever possible for them to purchase their land. The ambition of a farmer of this type is to change from a share to a cash rent basis.

In the latter case he owns his cows and frequently he will finance a friend to this end. Generally competition maintains rents at a level which leaves little margin of profit to the tenant. At best it is difficult to reconcile the present standard of living among tenant dairy farmers, as also among tenants on grain farms, with the fertility and productivity of the soil and the favourable climatic conditions in Argentina.

PRODUCTION OF DAIRY PRODUCTS

The bulk of the butter is produced by a few large creameries. In 1934 there were only seventy manufacturers. There are, however, many skimming plants throughout the dairy districts and these are the principal sources of butterfat for the manufacturers.

CASEIN

Hogs are seldom, if ever, kept by either the dairy farmers or the skimming plants. Consequently the skimmed milk is made into lactic casein. The export demand for casein has been increasing, although slightly down last year. In 1935 exports of casein amounted to 37.4 million pounds. Germany took 17.6 million pounds of Argentine casein in 1934, the United Kingdom 9.1 million, Holland 4.1 million, and Japan 3.6 million pounds. Almost the entire production of lactic casein is exported.

CHEESE

The factory production of cheese was given at 46,000,000 pounds in 1934 from 293 units. However, the aggregate factory and home production was estimated at 110,000,000 pounds. Practically no Canadian cheddar-type cheese is made. Most European types are popular, but particularly the Parmesan type. Exports of cheese only reached a total of 3,000,000 pounds in 1934, but shipments have been increasing steadily to the United States. It is mostly Parmesan, a hard Italian cheese.

DAIRY REGULATING BOARD

The Dairy Board as established in 1934 is representative of the producers, manufacturers, distributors, and exporters. Its functions are to (1) assure producers of butter and casein a higher return through adjustment in the price at which export bills will be purchased by the Exchange Control Board; (2) assist towards improving the quality of dairy products; (3) through the medium of advertising, stimulate domestic consumption—the per capita consumption of butter in Argentina, although increasing, is still under 4 pounds annually; (4) advise as to necessary regulations relating to grading and inspection.

SOURCE OF REVENUES

A system of exchange control was in effect here in 1934 and still continues in slightly modified form under which exporters are obliged to sell their export bills to the Exchange Control Board at a fixed rate. This exchange is in turn sold to importers of goods and others at a higher rate. Since Argentine butter is on an export basis, it was decided that the profits accruing to the Exchange Control Board on butter and casein export bills should form the basis of a fund to be distributed to producers delivering milk or butterfat for making butter. Additional funds for the purpose were to be secured through a levy on butter manufacturers to be used as a flat additional price for butterfat. Cheese exporters were permitted to sell their export bills at the Exchange Control Board's selling rate instead of their buying rate, but no provision was made to pay additional prices to farmers selling milk for cheese.

The levy assessed by the Dairy Board on butter for domestic consumption and collected from the butter manufacturers adhering to the scheme was as high as 3 cents Canadian per pound in some months when export prices were low, and was suspended altogether for periods when butter prices were considered abnormally high in the domestic market. The levy is voluntary on the part of the butter manufacturers in that they are not obliged to adhere to the "scheme," but non-adherents are not eligible to distribute, to farmers delivering butterfat to them, the allotment which the Dairy Board makes from the exchange profits fund. Consequently a non-adhering butter manufacturer would not have milk or cream delivered to him.

BUTTERFAT PRICES

Butter manufacturers must report ten days in advance the price they intend to pay for butterfat delivered at their factory for the subsequent fifteen-day period. The Dairy Board publishes these prices, together with the amount of the additional price that will be paid. It is stated that, while the board is not empowered to fix the price which butter manufacturers must pay, they have found that the publication of the prices has intensified competition between the creameries as the farmer now knows in advance what price he can expect to get at each creamery, whereas formerly little publicity was given to prices by the creameries.

PAYMENTS TO PRODUCERS

From May 11, 1934, when the present scheme was inaugurated, to July 31, 1935, the amounts received by the Dairy Regulating Board were 3,649,991 pesos from exchange profits and 3,582,246 pesos from the levy on butter manufacturers, or approximately \$2,380,000 Canadian. During the period the equivalent of \$2,305,000 Canadian was paid to producers as an addition to the price they received from the butter manufacturers on 70,000,000 pounds of butterfat, which was the aggregate quantity delivered by them during the period of seventeen months.

OTHER ACTIVITIES OF DAIRY BOARD

In order to increase the domestic consumption of butter, which is extremely low here, the Dairy Board inaugurated an intensive program of advertising. They emphasized the health appeal and used the newspapers, illustrated signs, and posters. The services of experts have been made available to butter manufacturers. Butter grades were formulated and officially adopted in October, 1935. The three grades are "Extra," "First Quality," and "Second." Difficulty is being experienced in establishing grades for cheese on account of the large number of types.

It is indicated that a permanent Dairy Board will be established in due course to cover the entire dairy industry. If the present exchange control system should be abolished, new sources of revenue would have to be found, but the basic policy will be, as at present, to expand the industry and to stimulate exports. The latter is to be attempted through regulation, reorganization, and improvement in quality rather than through adoption of a direct subsidy.

CURRENT POSITION

Argentine butter prices have been continuously on an export basis. The effect of the British import duties on local prices was offset to some extent by the depreciation of the Argentine currency. The bonuses paid from the exchange fund were a means not only of assuring that any benefits from depreciation would be passed on to the producer, but were also used to help offset in part variations in export prices.

The additional payments to the producer through the levy made on the butter manufacturers were designed to lessen the spread between the prices which the producer was receiving and those paid by the consumer. An ex-President of Argentina is reported to have once said, "A litre of milk costs more in this country than a cow." This may never have been literally true, but the condition still persists to a degree.

It is stated that experience has shown the amount of the levy has not been reflected in its entirety in retail prices and to that extent it is not a consumer's tax. It has not been the intent of the Dairy Board to raise local prices through subsidizing exports of butter. The amount of both the bonus and the levy as determined by the board varies with local butter prices, influenced by seasonal production conditions here in relation to export prices. Payments were stopped entirely during intervals when domestic prices went above the export level which is taken here as London quotations less duties and freight.

There has been no lack of criticism locally of the efforts of the present temporary Dairy Regulating Board. It is probably generally admitted that some success has been achieved in stabilizing prices, but since no attempt has been made to raise domestic prices above the export level, they are considered low by the producers. At the same time the trade does not take kindly to the regulatory measures that have been adopted. However, the experience already acquired should be of value in formulating a policy for the permanent Dairy Board which it is stated will be set up in due course.

ECONOMIC CONDITIONS IN NEW ZEALAND IN 1935

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, April 27, 1936.—The economic life of New Zealand in the early months (the summer in the Southern Hemisphere) of the year 1935 was, on the whole, favourably affected by a notable and continuous period of fine weather. Despite the fact that the excellent summer and autumn were followed by a winter of exceptional rainfall which caused flooding and deterioration of farming areas and resulted in a backward lambing season of low yield, the impetus already gained carried the people through the balance of the year in an optimistic frame of mind. Further encouragement came from a great improvement in wool prices at the end of 1935 as compared with those earlier in the year. Quite apart from comparative statistics of building permits, imports and other guiding data, the improved tone in New Zealand is evidenced by the physical improvements noticeable in city streets.

With the passing away of the depression frame of mind, the New Zealand passion for travel was resumed. Some lines of shipping experienced a complete change from large vessels sailing with a handful of passengers to the point where there was insufficient accommodation, at least in the peak travel months, for those intending to travel abroad. Travel within New Zealand has also increased remarkably. This is indicated by the railway traffic returns, but more clearly by motor-vehicle registrations and road usage. There were 216,905 motor vehicles licensed at December 31, 1935, of which 143,488 were private cars as compared with 200,577 (131,356 private cars) on the same date in 1934.

CONTROLLED PRICES

Laws exist that enable control of prices to be exercised, and further legislation is under consideration by the Cabinet bearing on the Government's promised relief to farmers, commencing with guaranteed prices for dairy produce.

At the present time, gasoline wholesale and retail prices are strictly controlled in certain cities by the Government, the retail price being fixed at 1s. 10d. (44 cents) or 1s. 11d. (46 cents) per gallon. Bread prices and wheat and flour prices are likewise controlled. In addition to the marketing boards controlling dairy produce, meat, honey, and fruit, there is new legislative provision for a tobacco control board, with the usual power to levy a charge on tobacco production to be used for the good of the industry.

The authority co-ordinating the work of the different produce boards, and linking them with the different Departments of State, is the Executive Commission of Agriculture, which has wide powers.

GOVERNMENT FINANCE AND BUDGET

In July, 1935, a New Zealand Government loan matured in London amounting to £10,000,000, bearing interest at 5 per cent. The sum of £2,000,000 was paid off, and the balance was financed by a new loan of £8,000,000 issued at 98½, bearing interest at 3 per cent for twenty years. This was the only large maturing overseas commitment, and it was easily arranged.

The cost of servicing the public debt has thus been somewhat reduced again. In 1936 a right accrues to redeem nearly £6,000,000 of 6 per cent debt in London, and it is anticipated that conversion operations will further reduce the outlay for interest and for exchange on this, the most costly loan outstanding.

The major item contributing to the rigidity of Government expenditure is that about 44 per cent (£11,000,000) is ear-marked for interest and exchange for the servicing of debt, and, except for relatively small reductions following

conversions of maturing loans, this item remains comparatively constant. There is little prospect of doing more with internal loans (£117,000,000), as these were refinanced in 1933 in a conversion scheme at 4 per cent interest for taxable or $3\frac{1}{2}$ per cent for tax-exempt bonds.

Overseas loans in London (£161,000,000) are subject to rates in excess of 4 per cent with respect to £115,000,000 or three-quarters of their total, and the majority of the earliest alternative maturity dates are so far distant as to warrant little hope of any early opportunity of refinancing at lower rates than the existing average of 4.45 per cent.

LOCAL AUTHORITIES' INTEREST REDUCTION AND LOAN CONVERSION

When the major operations for conversion of New Zealand Government securities issued in New Zealand to a lower interest basis had been completed and the issues assimilated by the market, machinery was set up to enable local authorities—cities, municipalities, power boards, harbour boards, etc.—to formulate conversion schemes applicable to their particular circumstances with respect to their domestic loans bearing interest in excess of $4\frac{1}{4}$ per cent. Precise assistance was afforded by the Local Government Loans Board and the Treasury in formulating schemes for gazetting and approval, and of a total convertible debt of £48,000,000, over 90 per cent has now been converted or renewed at a rate of $4\frac{1}{4}$ per cent or less.

The conversion operations resulted in a reduction in 1934-35 of £117,000 in annual charges to the local bodies concerned, in addition to assistance arising from a 20 per cent reduction provided by statute in 1932-33 which saved them some £400,000 annually. This reconstruction scheme could not be undertaken by blanket legislation because of the large number and variety of bodies concerned, and complications regarding differential rating over special areas; however, the schemes have lightened the load of rating authorities which have to provide for interest on their loans, and uniformity of method has been attained throughout the country.

STATE INDEBTEDNESS

The public debt of New Zealand at March 31, 1935, was £280,581,217 gross, and £277,923,385 after allowing for sinking funds, or a net indebtedness of £178 4s. per head of population. There was a definite decrease in public debt during the depression, as the debt figures for the last six years were as follows:—

As at March 31	Gross Indebtedness in £1,000,000	Gross Debt per Capita in £	Net Indebtedness in £1,000,000	Net Debt per Capita in £
1930	267.3	179.6	265.0	178.0
1931	276.0	182.7	273.7	181.1
1932	281.9	184.9	279.5	183.3
1933	282.6	183.8	280.1	182.2
1934	302.7	195.5	300.1	193.8
1935	280.5	179.9	277.9	178.2

The concession made by the Imperial Government, affecting a balance of £24,000,000 of funded debt mainly arising from New Zealand's war effort whereby the British Government voluntarily suspended, at the time of the Hoover proposals regarding war debts, New Zealand's amortization payments of £1,650,000 per year, has been continued, and no payment has been made since December, 1931. This valuable concession has been of great help in establishing budgetary equilibrium.

The large debt increase in 1934 was mainly due to floating debt under the Banks Indemnity (Exchange) Act, 1932-33, which was in the form of Treasury bills, and the whole of the floating debt of £22,856,981 outstanding

at March 31, 1934, was paid off in 1934-35 on the establishment of the Reserve Bank.

The liquidation of the large amount of outstanding Treasury bills mainly issued to the banks in payment for their surplus of sterling exchange was effected from the accrued sterling funds of the state in London, by the Reserve Bank taking over those funds, and then replacing the trading banks' note-issue to the extent of over £7,000,000, also by providing the necessary compulsory reserves for the trading banks with the Reserve Bank of about £4,000,000, and the Reserve Bank providing credit to the trading banks of some £10,000,000. The State itself liquidated from other sources about £2,500,000.

The saving of interest effected by liquidation of these Treasury bills represents a considerable sum to the state finances, as they bore rates of over 5 per cent. Naturally their redemption cut off a lucrative source of investment to the trading banks, as no interest is paid by the Reserve Bank on the trading banks' deposits arising from this or any other transaction.

DEBT REPAYMENT SCHEME

The New Zealand scheme of public debt repayment has been operating successfully in its present form for ten years. In that period nearly £12,000,000 of securities have been redeemed, producing a substantial annual saving of interest. Under the terms of the Repayment of the Public Debt Act, 1925, the debt existing at the commencement of the scheme will be liquidated in sixty years, while all future loans to which the scheme is applicable will be extinguished within a similar period from the date of their inception.

The depression was not felt in New Zealand until the fiscal year 1930-31, but practically throughout the period the costs of unemployment relief were financed by direct taxation. More than £14,000,000 has been collected since 1931 in wages-tax and expended for unemployment purposes, and the number of unemployed on the register averaged 38,572 in 1935, compared with 39,480 and 47,221 in 1934 and 1933 respectively.

TAXATION

General tax collections per head amounted to £15 18s. 7d. in 1934-35, or excluding unemployment taxation at an average of £2 18s. 9d. per head, the average taxation was £12 19s. 10d. The substantial increases from the 1932-33 and 1933-34 years, when total collections per capita were £12 17s. 9d. and £13 18s. 7d. respectively, are almost wholly due to more buoyant revenues, as the scale of taxation has remained fairly constant, with two reductions in unemployment tax. The latter was reduced from 1s. in the £ to 10d. in the 1933-34 budget, and as from October 1, 1935, has been reduced to 8d. in the £.

Despite these reductions, the yield has improved substantially because of increased employment at higher rates of wages.

The budget for the fiscal year ending March 31, 1936, is the most encouraging for a number of years. For the first time since 1930, revenue has exceeded expenditure, and a substantial surplus of £1,626,498 has resulted. The surplus is largely made up of fortuitous windfalls, for only a nominal surplus of £8,000 was estimated in the preceding budget. It includes the profit of £1,360,000 on gold formerly held by the trading banks which was taken over by the Reserve Bank and exported in 1934-35; it also includes an unexpectedly large yield from death duties, so that these two non-recurring items actually exceed the declared surplus.

In the three preceding years it was found necessary to draw on reserves in an endeavour to balance the budget, and naturally this source was heavily

depleted, but fortunately it was not necessary to have recourse to remaining reserves in 1934-35. The improved result follows upon expansion of revenue from improved national income not upon reduction in expenditure, which has actually increased slightly.

The budget surplus has been used mainly to restore some of the cuts made in the incomes of pensioners and civil servants by increasing their earnings by $7\frac{1}{2}$ per cent. The unemployment tax reduction is really outside the scope of the budget, as it is administered as a separate fund.

Receipts from the sales tax introduced in 1933 have progressively increased—from £1,850,000 in 1933-34 to £2,170,000 in 1934-35, and an estimated £2,480,000 in 1935-36—so that this is an important budget item. The sales tax was levied to provide funds to meet the additional expenditures following on the increased exchange rate, which had been raised to provide, in effect, a bonus to exporters of primary products.

MEATS

Meats (mainly lamb) constitute one-third of New Zealand's exports. Prices have continued through the 1934-35 season at a fairly satisfactory level, and in one product, pork, substantial exports took place, showing a five-fold increase in quantity in the past four years. The quota arranged with the United Kingdom for New Zealand pig products is large in comparison with the supplies available from New Zealand.

DAIRY PRODUCE

The course of butter prices throughout the year has been somewhat erratic, but the average has been higher than in the preceding season and the closing trend has been upwards. This is reflected in the factory pay-outs to dairy farmers, which averaged in 1934-35 about 9 $\frac{3}{4}$ d. per pound of butterfat, compared with approximately 8 $\frac{3}{4}$ d. per pound in the preceding year.

STOCK EXCHANGE STATISTICS

Stock market operations in New Zealand are regarded as being on a very conservative basis. The clientele is not numerous, and consists mainly of persons in the rentier class, who do not make many speculative turns, but are influenced by maturing investments to seek for other avenues of equally secure returns. However, the very solidity of these investors enables reliable conclusions to be drawn from share price fluctuations. The principal investment outside of Government and local body bonds is in shares of banks, and companies operating fire insurance, farm loan and agency, frozen meat, woollen manufacture, breweries, gas, timber, coal and gold mining businesses, together with the shares of departmental stores, miscellaneous local industries such as flour milling, fertilizers, and tobacco manufacturing. The list embraces a large proportion of Australian investments, but regrettably few, if any, of broad Empire or international importance, which circumstance reduces in a degree the effect on the market of world events outside of Australia or New Zealand, but likewise gives it a more parochial outlook or lessens its sympathy with world trends in a country that appears to have an available surplus for substantial overseas investment.

SHARE PRICE INDEX NUMBERS

(Base—average prices in each group in 1926=1000).

Group	1932	1933	1934	1935
Banks	677	742	779	776
Insurance	919	1,190	1,450	1,579
Loan and agency	470	545	660	583
Frozen meat	701	835	868	816
Woollens	778	923	1,159	1,272
Breweries	602	753	989	1,148
Gas	969	1,053	1,235	1,308
Timber	348	411	547	623
Minerals	700	753	883	1,077
Miscellaneous	715	889	1,083	1,213
All groups combined	703	822	957	1,023

The slight fall in bank stock is perhaps indicative of the curtailed earning powers of these institutions which, like loan and agency companies, whose shares also fell, will be affected by the anticipated greater exercise by the Government of its lending and marketing powers. On the other hand, the increase in values of insurance and gas shares might be attributed to lack of other channels giving better security or yield.

Woollens, breweries, and timber have all increased because of additional impetus to domestic manufacturing and greater consumptive demand, and the same is true of the miscellaneous group. Minerals largely benefited by the high prices for gold. Frozen meat shares fell, probably in sympathy with the uncertainty of outlook, as in 1936 the meat marketing agreement between New Zealand and Great Britain expires.

The progressive increase each year in the index number for all groups of shares combined is believed to reflect accurately the improvements that have taken place in the last four years, from 703 in 1932 to 822 in 1933, followed by 957 in 1934, to a peak of 1,023 in 1935. It is noticeable that the 1935 index at 1,023 is higher than the base year 1926—1,000—and is actually the highest annual figure since 1929.

Undoubtedly the era of low interest rates has largely contributed to this apparent capital appreciation. However, earnings of the principal firms have shown improvement, and many have emerged again to a dividend-paying basis, which is indicative of the better business conditions they have experienced in 1935.

FACTORY PRODUCTION, 1934-35

Factory production statistics show substantial increases for 1934-35 as compared with 1933-34, and still further improvement over 1932-33. Establishments reporting in 1934-35 number 5,270, an increase of 4·8 per cent over the preceding year. Persons engaged numbered 79,358, an increase of 9·2 per cent. Salaries and wages paid were £13,244,373, an increase of 9·4 per cent. Cost of materials used was £52,084,741, showing an increase of 11 per cent. Other expenses of manufacture were £9,002,456, an increase of 9 per cent. The value of products was £79,324,473, an increase of 10·5 per cent. Added value, or the difference between the value of products and the cost of materials, rose to £27,239,732, an increase of 9·6 per cent.

An examination of the classification of industries shows that they are divided into four main groups: (1) those mainly associated with the primary industries, such as meat freezing, butter and cheese making, fellmongering, and manure making; (2) public utilities operating in an exclusive field or under monopoly conditions, such as gasworks and electric generation and supply; (3) "semi-primary" industries, including fish-curing, saw-milling, lime-crushing, brick and tile making, concrete-block, fibrous-plaster, and pumice-insulation making, and flax-milling; (4) all other industries covered by the statistics

regarded as "secondary industries," though this class covers grain-milling, as well as clothing, printing and publishing, coachbuilding and motor engineering, boot and shoe, biscuit and confectionery, brewing, fruit-preserving, furniture, tobacco, paint, and many other manufacturing or processing operations.

It is noticeable that the increases in group 4, in what are mainly secondary industries, have been large, particularly with respect to number of persons engaged and total production. This gives added evidence of the increase in domestic manufacture, and of a trend which vitally affects the future of imports required in New Zealand. The conclusion may reasonably be reached that the demand will improve for raw materials, of a kind not produced in New Zealand, for domestic manufacturers, with a probable falling off in imports of fully finished products.

No sweeping deductions can be drawn to offset this nationalistic tendency, so general in many countries, but the market in New Zealand for finished products showing originality, new invention, or the highest class of specialty workmanship compatible with economic mass production will conceivably remain for the overseas manufacturer. The smallness of the New Zealand market renders it difficult for secondary manufacturers to do more than copy overseas styles in a limited range.

VALUE OF PRODUCTION

A statistical survey of the value of total production in New Zealand shows a decline of 1·8 per cent in 1934-35 (total £97,000,000) compared with the 1933-34 total of £98,800,000. It should be noted that this covers the production year, not the calendar year, and the improvements in the latter part of 1935 will go to the account of the 1935-36 production period.

The material commodities produced (with the year's totals in £ millions in parentheses) were those arising from agricultural (£7·9); pastoral (£28·3); dairying, poultry, and bees (£23); mining (£3·8); fisheries (£0·4); forestry (£2·6); factory (£20·7); and building and miscellaneous (£10·3).

Agricultural production declined by £800,000 or 9·2 per cent, as an exceptionally dry season materially affected the yield of field crops, and orchard production also suffered. With the short agricultural harvest, there was generally a substantial advance in prices which offset the effects of the lowered yield in some areas.

Wet conditions following the 1934-35 harvest are expected to affect adversely the 1935-36 yields to a considerable extent.

PASTORAL AND DAIRY PRODUCTION

The fall in the value of pastoral production is accounted for by two major features, namely, the set-back in prices realized at wool sales in the 1934-35 season compared with the satisfactory returns at the 1933-34 sales, and a decline in the quantity of wool produced, resulting from exceptionally dry weather conditions which affected the growth of wool. Returns from meat production were appreciably higher than in 1933-34, counteracting to some degree the effect of the fall in wool prices.

Dairy production—which accounts for approximately 90 per cent of the aggregate value of "dairying, poultry, and bees"—showed a decrease in quantity, as butterfat production was likewise affected by dry weather. However, prices for New Zealand butter and cheese materially advanced in comparison with the exceptionally low prices ruling in 1933-34, so that the aggregate returns were slightly higher for the 1934-35 season.

OTHER PRODUCTION

The value of mining production in 1934-35 exceeded the 1933-34 total by £200,000. This followed from increased gold production and prices, which

continuously offset to a large degree the considerable fall in coal-mining activity in the preceding years of depression. However, the output of coal increased in 1934 by 13.1 per cent.

Fisheries in New Zealand play a relatively unimportant part in the value of production, and the sea fisheries have shown gradual recession in value of products from £600,000 in 1925-26 to £400,000 in 1934-35.

Forestry production shows an increase of £600,000, but is substantially lower than in the years preceding 1930-31. Recovery in building activity is the chief reason ascribed for the increase. It is generally reported that prices for New Zealand timbers have increased unduly, so as to retard improvement in the building trade.

Domestic supplies of timber are not large, and there has been an excess of exports over imports which tends to harden prices, especially when there are substantial customs duties on many classes of imported timber entering New Zealand. The lack of readily available domestic supplies of seasoned timber may have to be taken into account if the key industry of building is to regain lost ground and cope with the shortage of modern houses.

The value of factory production in 1934-35 (£20,700,000) shows an increase for the second year in succession. It should be noted that this amount does not include the value of production in the industries processing primary products, which is credited in each case to its appropriate primary production group, such as pastoral, dairying, and forestry.

INDEX NUMBERS

The index numbers of value and volume of production as well as those of producers' prices for the last seven years are set out in the following table (base—1928-29=1000):—

Year	Index Numbers of Value of Production	Index Numbers of Producers' Prices	Index Numbers of Volume of Production
1928-29	1000	1000	1000
1929-30	955	907	1053
1930-31	771	763	1010
1931-32	660	690	957
1932-33	662	654	1012
1933-34	780	726	1074
1934-35	766	739	1037

The physical volume of production is shown to have been well maintained, and substantial recovery in value and in prices from the low points of 1931-32 and 1932-33 has been achieved.

It must, however, be recognized that prices of farmers' products fell much more sharply than did their costs of production. Hence the brunt of the adjustment fell on the farmers' finances, and drastic measures did not altogether equalize the position.

Among the aids to farmers in the depression were various laws regarding assistance to mortgagors, as well as the increase of the exchange on London to a point where £125 New Zealand currency equals £100 English sterling.

MORTGAGE ADJUSTMENT LEGISLATION

The culmination of the mortgage adjustment legislation was the formation in 1935 of a Mortgage Corporation to handle the large amount of State moneys, lent through various departmental channels mainly to the farming community. The corporation will borrow at $3\frac{3}{8}$ per cent and relend at $4\frac{1}{8}$ per cent, so that the latter figure is more favourable than the nominal trading bank minimum lending rate for best accounts of $4\frac{1}{2}$ per cent. The Mortgage Corporation has not been in operation long enough to judge its results.

Building production and miscellaneous production in aggregate show a decline of £600,000, but separate statistics covering building and construction work done and completed reveal an extraordinary increase.

BUILDING TRADE STATISTICS

These show that the total values for private dwellings, business premises and other buildings completed rose to £3,091,000 in 1934-35 from £1,555,000 in 1933-34 and £1,407,000 in 1932-33. The number of dwellings completed was 2,511 in 1934-35 as against 1,446 in 1933-34 and only 982 in 1932-33. Similar improvement took place as regards the number of business premises and other buildings completed.

A noticeable tendency is towards the construction of apartment houses, or flats, as they are termed in New Zealand. While these are not ordinarily as large on the average as are found in Canadian cities, they indicate some change in the living habits of the people, and create a demand for elevators, steel, and occasionally for furnaces or other equipment that are not used in ordinary house construction. They also increase the demand for electric refrigerators, small electric ranges, and other kitchen and household equipment at a faster rate and in larger quantities than follow on the construction of independent residences.

The prospects for further house construction are good, as there is a definite shortage of modern houses of moderate size, and rentals have increased substantially. There is, however, a building subsidy scheme, referred to in previous reports, which is designed to encourage the use of New Zealand materials, and consequently discriminates against the use of imported building materials—timber, household hardware, plumbers' supplies, paints, doors, or electric stoves—to mention a few commodities of interest to Canadian exporters—in cases where the subsidy is sought.

LABOUR

Labour costs in New Zealand on a unit basis are regarded as fairly high, and many of the other costs, such as those for erecting factories with locally produced building materials, are in excess of costs in other countries. The 8-hour day and 44-hour week is definitely operative in almost every line of work, and legislation to limit, wherever practicable, the working week to 40 hours, for which the employee is to receive the same wage as for 44 hours, is to be introduced very shortly. These factors offset to a degree the ability of certain locally manufactured lines to compete with overseas goods, even when especially favoured by tariff protection or any other measures short of embargo.

HARICOT BEANS IN THE LONDON MARKET

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, May 4, 1936.—There are a number of varieties of pulse which are commonly classified as beans although many of them are not true beans. The types best known on the London market are field beans, largely cultivated as feedstuff for animals; the haricot, French or kidney beans, which are used both green and dried for human consumption; the soya bean, which is processed for its oil and meal; and the locust bean, another animal feedstuff. These types are all imported in large quantities.

During the years 1930 to 1934, inclusive, annual importations averaged: soya beans, 165,000 long tons (\$5,300,000); locust beans, 48,000 long tons (\$985,000), but decreasing in recent years; and butter beans, almost entirely

from Madagascar, 11,300 long tons (\$800,000). Canada is not, however, an exporter of these varieties at present, and, beyond this indication of the market available in the United Kingdom, no further mention need be made in this report.

At the same time, it is as well to take note of some aspects of the Canadian bean trade. In the fiscal years 1931 to 1935, inclusive, Canada exported an average of something over 900 long tons annually, valued at about \$47,000; during the last three years the bulk of these shipments was to the United Kingdom and, as far as can be discovered, was in the main through one well-established channel.

During the same years the importations of similar types of beans into Canada decreased from \$392,000 to \$87,000, a fact which might be reasonable grounds for the assumption that Canadian production has increased sufficiently that it more nearly supplies the domestic demand and provides a small surplus for export.

TYPES AND REQUIREMENTS

The beans available for export from Canada may generally be described as the haricot or French bean. Haricot is a general term used to describe those small white beans which are used primarily for human food. In the United Kingdom they are now largely canned with tomato sauce and/or pork and, dry, are sold, though in diminishing quantities, by grocers. The beans must be white, clean, and free from stained or damaged seed. The size should be regular and the shape uniform. It is preferable that the skin be thin and soft but strong enough to prevent excessive splitting or mushing while the beans are cooking.

The haricots being imported at the present time have different trade names associated with the country of origin. The differentiation is not purely a question of country, but appears also in the actual shape, size, and even flavour of the bean.

WHITE PEA BEANS

These are small, white, and rather round; the name is applied to a North American variation of the haricot; Canada is the principal exporter to this market, although the United States is a large producer.

The greater part of the sales are to the canners, but a place could be found in the grocery trade even though the Danubian medium bean is in favour there. The skin of the white pea bean is fairly tender and the flavour is good. Grading has not always been satisfactory to the requirements of this market, but experience should bring improvement.

DANUBIAN PEARL BEANS

These are somewhat larger and flatter than the pea bean; they are supplied by Roumania and also by Hungary and Bulgaria. The principal outlet is in canning. The Danubian pearl beans are particularly liked because the skin is very soft and yet strong; the grading is irregular and not altogether satisfactory, but the beans are liked and command an important part of the market.

OHTENASHI BEANS

These are also larger than the pea bean and slightly larger than the Danubian pearl bean; they are supplied entirely by Japan. The Ohtenashi is used for canning and also enjoys favour in the grocery trade because of its size and cooking qualities. One of the important selling features of this bean is the high standard of grading and picking. Ohtenashi are sold on name alone and without sample, a compliment paid to no other at the present time.

ARROZ OR RICE BEANS

Arroz or rice beans are small but admixed with larger flat seed. They enjoy a fair sale even though the skin is rather tough. Chile is the principal supplier.

RANGOON BEANS

These are used almost entirely in the ship trade, where they enjoy a perhaps unwarranted prestige. Early in the century the Rangoon was one of the few varieties available and established itself as a necessary part of ships' stores because it was, and still is, one of the cheapest beans on the market. Even though its flavour is said not to be as pleasing as that of other types, it has preserved its position among ships' supplies because of custom and price. For the same reasons it commanded some sale among the poorer classes, but is believed to have lost some ground to more palatable varieties. It does not come in direct competition with the pea bean because its sale is in a different field, and indeed it may be that other haricots have tended to oust it from its own domain. Burma is the principal supplier.

There are numerous other haricots of little relative importance except the Danubian medium bean, which is larger than the pearl bean and finds its best sale through the grocery trade.

IMPORTATIONS

• It is difficult to ascertain the exact quantities of each type imported and even to discover the real importations of haricots in general. The official statistics of importations differentiate among soya beans, butter beans, and locust beans and, in addition, provide for two other categories: haricot beans, and beans n.o.p.

This would appear entirely satisfactory except that estimates of importations given by the trade do not agree with the official statistics; it is probable that the numerous trade names applied to beans lead to misinterpretation. In any event, the official data are given below for such assistance as they may offer. Quantities are in hundredweight of 112 pounds and values are in pounds sterling:—

Imports of Haricot Beans

	1932		1933		1934	
	Cwt.	£	Cwt.	£	Cwt.	£
Total	264,213	116,355	121,055	53,027	150,756	64,117
British India. . .	124,415	40,332	29,946	9,026	47,983	13,674
Canada	17,138	6,071	143	324	13,618	6,837
Germany	2,796	2,829	3,291	2,077	924	478
Holland	5,857	2,264	1,698	1,099	3,170	1,785
Belgium	30,160	19,461	25,655	11,777	11,268	5,430
France	14,120	7,970	50,002	23,353	23,536	12,352
Japan	48,955	23,542	2,018	781	34,723	13,552
Chile	14,923	9,874	2,843	1,776	6,101	3,340

Imports of Dried Beans, n.o.p. (not including Locust, Soya, or Butter Beans)

	1932		1933		1934	
	Cwt.	£	Cwt.	£	Cwt.	£
Total	499,217	186,739	680,620	216,117	589,286	214,415
British India. . .	60,325	19,155	39,052	10,378	73,262	20,136
Poland	2,862	2,941	1,870	2,059	3,527	3,717
Germany	1,604	1,034	1,507	1,094	1,968	871
Holland	9,861	12,032	10,042	15,498	14,745	19,301
Belgium	16,569	8,103	19,487	8,006	48,606	24,409
France	11,996	7,831	4,582	4,265	8,342	4,883
Madagascar . . .	1,495	1,452	24,797	17,434	2,786	1,457
Italy	683	1,243	1,013	1,800	2,069	2,039
Egypt	173,511	56,787	531,162	131,892	10	9
China	171,092	52,452	7	4	351,557	98,325
Japan	16,654	6,915	6,630	2,638	30,266	11,417

Any analysis of these data to determine the varieties included in the totals for each country must be based to some extent on conjecture.

The haricots from British India are probably Rangoons. Those from Canada are white pea beans. The supplies from Germany represent transshipments from Poland and the Danubian countries. The imports from Holland may be made up of a variety of brown beans and of transshipments from the Danube. Belgium is not a producer of beans for export, but Antwerp is a grading and picking centre for Danubian and also Chile beans. The supplies from France may be made up of fancy varieties and of transhipped goods. The tonnage from Japan is entirely Ohtenashi, but opinions from the trade are to the effect that the figures given are an underestimate of the quantities of Ohtenashi actually being imported; some may be transhipped from Europe. The data for Chile cover part of the importations of rice beans, but fair amounts of rice beans are re-exported from European centres such as Antwerp.

The heading "dried beans, n.o.p.," is believed to cover field beans such as horse beans, red beans, brown beans, etc., but may also include some haricots. It is not practicable to hazard any indication of the nature of the shipments from each country.

GRADING

As already noted, the Canadian white pea bean has a flavour and quality very acceptable to this market. Exporters should note the importance of grading so that sales may not be affected by any apparent slackness in the maintenance of the high standard necessary. Under no circumstances should any domestic standards peculiar to Canada be adhered to when they differ materially from the standards of the United Kingdom.

Among at least some Canadian bean growers and exporters the qualification "hand-picked" requires that the beans be of good colour in the crop year and permits up to one pound per bushel of discoloured beans. The same expression, "hand-picked," when used among London merchants, describes beans absolutely clean of any stained, discoloured, or broken seed and entirely free of any debris or extraneous material.

Once Canadian exporters have established a reputation for absolute cleanliness and perfect picking, the beans can be sold on the name. The suggestion is made that this reputation is one definitely worthy of consideration and establishment. In the meanwhile it is advisable and even necessary that all sales be based on samples.

Duplicate sealed samples of about two pounds each should be submitted. One sample will be opened for sales purposes, and the other will be retained, sealed, by the purchaser to compare with the merchandise on arrival and as a basis for arbitration if the necessity arises. Representative samples are essential, and under no circumstances should the exporter provide samples of better quality than the goods he intends to ship. No tolerance is permitted in the grading or cleanliness.

ARBITRATION

While arbitration is not a new thing, the following notes are given to clear away any misunderstanding of the proceedings:—

Bean importers and merchants in London protect their interests by contracts drawn up according to the rules and precedents of the London Corn Trade Association, an organization of similar nature to that of the Grain Exchange in Winnipeg. In particular, these contracts contain clauses providing that any arbitration proceedings which may arise shall take place in London and in accordance with the procedures established by the association. This is not machinery intended for use against the interests of the shipper but is a means of settling any disputes as justly as possible. The shipper will encounter

no difficulty or extra expense as long as he sells merchandise according to sample and/or grade—in other words, supplies what the purchaser has been led to expect.

In the event of disagreement each side to the dispute appoints an arbitrator and the sealed selling sample is compared with representative samples taken from the shipment at dispute. If the arbitrators come to no agreement they select an umpire whose decision is final. In each case every effort is made to select men well versed in the trade and as impartial as possible to the particular dispute. The costs of arbitration are from \$10 to \$15 for each official together with from \$5 to \$10 association fees.

METHODS OF BUSINESS

The main feature of this trade has already been described in detail: the goods are sold according to sample and reputation. Quotations must be on an English basis, i.e., in pounds sterling per long ton (2,240 pounds) or cwt. (112 pounds) and c.i.f. English port. Terms are by arrangement, but initial business is usually done by payment of from 75 to 90 per cent sight documents and the balance after acceptance. Cash against documents can be obtained after complete confidence is established.

Importers are rarely users; they may sell on commission but usually buy outright and resell to the consumer. In certain cases large consumers import direct. Packing must be in good-quality jute bags and preferably in units of 112 pounds gross, although bags of any reasonable and uniform size will usually be accepted.

PROSPECTS FOR CANADIAN BEANS

Canadian beans are well regarded. The flavour, colour, and texture are considered good. Any exporter who can provide beans uniform and thoroughly hand-picked and at prices competitive with the Danubian pearl and Ohtenashi beans should have little difficulty in obtaining satisfactory business. Continuity of supply, quality, and picking are indispensable to the holding of the market.

WEST OF ENGLAND MARKET FOR CANNED GOODS

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Bristol, May 8, 1936.—With the approach of summer, the market for canned goods in the West of England is rather devoid of interest. Some lines are seasonally sold out by this time, although for special reasons supplies of other goods are being freely offered.

Canadian pears are not readily available in quantity in the West of England, although wholesalers still have small stocks to distribute. Californian pears are being offered at 6s. 7½d. c.i.f. main ports for choice and 6s. 3½d. for standard. As is usual at this time, prices of Australian pears are very stable, being offered at the fixed price of 8s. 3d. for choice and 7s. 6d. for standard. Some interest is being displayed in South African canned pears at 7s. 10½d.

Canadian peaches are still not being distributed in the West of England in any volume, but Californian choice are being offered in some quantity at 5s. 10½d. and standard at 5s. 1½d., both prices c.i.f. main ports. Australian peaches now seem to be becoming scarce, as the pack was comparatively short, and are commanding 7s. 1½d. for choice and 6s. 4½d. for standard. No peaches are arriving from South Africa, but South African apricots are being quoted at 7s. 6d. c.i.f.

Earlier in the year it was reported that the British pack of gallon apples had been disposed of long ago. The pack was very short, owing to the effect on

the apple crop of a frost in May last year. Recently third-hand sales in small quantities of English gallon apples have been made at 25s. Canadian gallon apples are being quoted at between 17s. 9d. and 18s. 3d. compared with rather free offerings of Oregon-Washington gallon apples at a landed cost, duty paid, of 18s. 9d.

Canadian canned tomatoes are being quoted at 4s. for 2½'s. This landed price compares with 5s. 10½d. for Spanish tomatoes of the peeled plum type packed in No. 3 tins. However, only a few small parcels of Spanish tomatoes seem to be available as, owing to the effect of sanctions, Italian shipments of the 1935 pack have been curtailed. It is reported that a supply of Spanish tomatoes in half-kilo tins, packed fifty to a case, are being offered at 2s. 6d. c.i.f.

Canadian sockeye salmon is still comparatively high-priced at 56s. 6d. for halves. This compares with offerings of Siberian red at from 52s. 6d. to 55s.; supplies are very scarce. Alaska red salmon has recently been quoted at 43s.

British Columbia pinks are readily available at 19s., but sales are difficult in the face of competition from Japan at 15s. 6d.

AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, April 21, 1936.—Wheat and flour shipments from Australia for the period from December 1 to the week ending April 14 totalled 52,242,562 bushels as compared with 47,767,604 bushels shipped in the corresponding period of the previous season. The wheat and flour market until about a week ago had been listless, but an active market has developed due largely to adverse crop reports from the United States. Italian buying of near cargoes has assisted greatly in clearing up the pressure of unsold Australian cargoes on the United Kingdom market, and British buyers have recently shown a keener interest in Australian wheat at higher prices. The growers too have been influenced by the firmer market and are selling wheat more freely.

The price to growers has firmed from about 3s. 2d. to 3s. 5d. per bushel at country sidings within the past week, 3s. 5d. being equivalent to 67 cents Canadian, and quotations f.o.b. steamer are about 3s. 11½d., equivalent to 78 cents Canadian. Australia has cleared her stocks of wheat in a very satisfactory manner and there will be no problem of a carryover into the next crop year. Recent rainfalls over South Australia and Victoria have greatly improved the prospects for the next season, although the weather continues extremely dry in Western Australia. Conditions in New South Wales continue excellent, and the indications are that there will be a considerable increase in the acreage sown to wheat for the 1936-37 season.

FLOUR

The export flour market has strengthened in sympathy with the demand for wheat and active inquiries for Dairen, resulting in some bookings for early May, have brought new life into a very dull trade. Export quotations, however, have not advanced as yet, although slightly lower prices were ruling a fortnight ago, and remain unchanged from last month at about £7 17s. 6d. per ton of 2,000 pounds, packed in 49-pound calico sacks, equivalent to \$31.11 Canadian, and £7 12s. 6d. in 150-pound bags, equivalent to \$30.12 Canadian, the local price for flour being £9 7s. 6d. per ton of 2,000 pounds.

CHARTERING

Chartering has become rather more active recently, the rates for cargoes being unchanged. Parcel rates on wheat and flour for April-May shipment have

been reduced by 2s. 6d. per ton, and the June rate is unchanged at 25s. per ton for wheat to British and Continental ports. Freight is payable on the basis of 2,240 pounds per ton in English currency.

FINAL REPORTS ON WHEAT, FLOUR, AND BREAD INDUSTRIES

The Royal Commission on Wheat have completed their inquiries into the wheat, flour, and bread industries of Australia and, having presented their final reports to the Commonwealth Government, they have ceased to exist. Their final publications, consisting of the third, fourth, and fifth reports, have just been issued, and copies have been sent to the Department of Trade and Commerce, Ottawa.

COMMERCIAL NOTES FROM NEW SOUTH WALES

B. MILLIN, COMMERCIAL AGENT

Business Conditions at Sydney

Sydney, April 23, 1936.—Business is steady and moderately active. Conditions seem to favour improved returns in nearly all directions. This has been particularly noticeable in orders from the country recently, which indicate a confident sentiment due to excellent seasonal conditions, the buoyant state of the wool market and improved prospects for the pastoral industry generally, the steady level of wheat values, as well as the excellent conditions ruling in the dairying districts.

There is still considerable activity in the building trade, and the effects continue to be apparent in widespread demands from manufacturers and distributors. The investment market, however, has been somewhat disturbed by the upward change in bank deposit rates and stocks have had a setback from which they have since partly recovered.

Australian Tobacco Production

The production of tobacco in Australia has been very variable in recent years. From 1931 to 1933 there was a boom in tobacco growing. Much of this was grown in a very unscientific way and was found totally unfit for ordinary purposes.

The Australian production of tobacco leaf in recent years was as follows (in pounds): 1928-29, 1,838,592; 1929-30, 1,702,400; 1930-31, 1,593,892; 1931-32, 10,160,192; 1932-33, 10,271,494; 1933-34, 3,514,137; 1934-35, 2,647,606.

Imports of tobacco leaf have declined in recent years, as the following figures show (in pounds): 1928-29, 21,137,672; 1929-30, 20,283,813; 1930-31, 22,393,045; 1931-32, 15,119,305; 1932-33, 14,753,159; 1933-34, 11,633,955; 1934-35, 17,041,057.

Population Rates in Australia

The Commonwealth Statistician recently stated that the rate of natural increase in population in Australia had declined since 1921 by 8 per 1,000 of the population.

During the year ended December 31, 1935, the population of Australia increased by 47,437 to 6,753,114. The rate of increase for the year was only 0.71 per cent, whereas the average annual rate of increase for the ten-year period ended 1934 was 1.53 per cent. During the same period the actual increase of population was 823,675, of which 80.7 per cent was accounted for by excess of births over deaths.

Sydney Rabbit Skin Sales

Although the best skins will not be available until the colder weather sets in, prices show an extraordinary advance on those of last season, in some cases being as much as 100 per cent. For instance, second incomings were sold this time last year for $22\frac{1}{2}$ pence per pound and this year at 54 pence per pound. Fourth heavy pelts sold at from $40\frac{1}{2}$ pence to 44 pence last year; this year up to $63\frac{1}{2}$ pence. Racks were from 15 to $16\frac{1}{2}$ pence and have risen to from $40\frac{1}{2}$ to 44 pence.

Last week 114,193 pounds of skins were auctioned. There was a strong demand, and prices were on the average one penny per pound above those of the previous week.

Following are the latest market prices, in pence per pound: second incomings to 54, autumn $45\frac{1}{2}$ to $50\frac{1}{2}$, racks $40\frac{1}{2}$ to $44\frac{1}{2}$, fourth heavy pelts to $63\frac{1}{2}$, fifth heavy pelts $49\frac{1}{2}$ to 59, sixth heavy pelts $38\frac{1}{2}$ to 47, lower grades of heavy pelts 32 to 35, third does 38 to 40, fourth does 30 to $31\frac{1}{2}$, half- to three-quarter grown 37 to 40, kittens and suckers 25 to 32, first damaged $38\frac{1}{2}$ to 41, second damaged 31 to 33, third damaged $27\frac{1}{2}$ to 29, blacks to 34, fawns to $36\frac{1}{2}$. Hare skins were sold at from 1s. 3d. to 4s. 6d. per dozen.

GOVERNMENT CONTROL OF TOBACCO MARKETING IN NYASALAND

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, April 22, 1936.—Following the example of Southern Rhodesia (see *Commercial Intelligence Journal* No. 1683: May 2, 1936), the Nyasaland Protectorate is going to adopt a system of Government control of the marketing of tobacco. A recent issue of the Nyasaland Government *Gazette* contains a bill entitled the "Tobacco Marketing Ordinance, 1936," which is to be introduced at the next session of the Legislative Council, and which, if passed, will provide the necessary machinery. The scheme closely follows that proposed in Southern Rhodesia except for the omission of provision for sale by auction. It will come into effect by proclamation of the Governor in Council and will apply to such type or types of tobacco as the Governor may direct. For the purposes of the ordinance, all tobacco grown in the protectorate will be divided into the following classes: (1) unmanufactured flue-cured tobacco of the Virginia type; (2) unmanufactured tobacco which has been dark-fired, sun-cured, or air-cured.

TOBACCO CONTROL BOARD

As in the case of Southern Rhodesia, a Tobacco Control Board is to be set up consisting of (a) two Government officials to be nominated by the Governor, one of whom shall be an officer of the Department of Agriculture; (b) three representatives of growers, to be selected by the Governor from a panel of names submitted by the Nyasaland Tobacco Association; (c) one representative of buyers and exporters, to be selected by the Governor from a panel of names submitted by the Nyasaland Native Tobacco Exporters' Association; and (d) one representative of commerce, to be nominated by the Convention of Associations. The two official members of the board will be respectively chairman and vice-chairman of the board.

REGISTER OF GROWERS

Similarly, a register of growers is to be kept and no person shall be allowed to grow tobacco for sale unless registered annually in accordance with the provisions of the ordinance.

LICENSING OF BUYERS

Buyers are also to be licensed, and no person will be permitted to purchase tobacco unless duly licensed.

GROWERS' QUOTAS

The board will ascertain annually the combined requirements of the local market (the market for tobacco purchased by licensed buyers or for manufacture within the protectorate) and the protected markets (the United Kingdom, and such other countries as may be prescribed), and will grant to every registered grower permission to supply a proportion of the tobacco so required. In doing so it will take into consideration the weight of tobacco which the grower may estimate that he will be able to sell within the protectorate or export to a protected market with a reasonable prospect of sale.

Provision is made for growers to register an objection with the board against the quotas allotted to them, if dissatisfied, and if still dissatisfied after the board's review to appeal to a board of appeal appointed by the Governor in Council.

Applications for quotas in a given season must be made not later than August 1 in the preceding year.

QUOTA CERTIFICATES AND EXPORT PERMITS

The device of non-transferable quota certificates is also to be adopted by Nyasaland. Growers will be required, not later than June 15, to estimate their production of saleable tobacco in that year and to state whether they will be able to supply the full amounts of their quotas, and the aggregate deficiencies, if any, will be divided among growers able to supply.

No person will be allowed to export tobacco from the protectorate to any other country without a permit of the board. Every permit will state the quantity of tobacco which is thereby authorized to be exported, the country of destination, and the period for which it is valid. If the applicant for an export permit is a grower, he will have to produce his quota certificate, on which, in the event of the tobacco being destined for a protected market, the particulars stated in the permit shall be endorsed.

Officers of the customs department of the protectorate will be forbidden to sign any certificate of origin or other similar document required by the customs authorities of any protected market in connection with tobacco unless the applicant for such document produces a valid permit for exporting such tobacco to such protected market.

In the case of a grower selling tobacco to a licensed buyer, the grower will be required to produce his quota certificate on which the buyer will endorse the weight of tobacco so sold, and whether it was purchased for the local or a protected market.

Whenever (a) the endorsements on a quota certificate show that the full amount stated on the certificate has been exported direct to protected markets or sold to the local market for export to protected markets, or (b) the validity of the certificate has expired, the board will not grant the holder thereof a permit to export tobacco to any protected market and the holder will not be permitted to sell or offer for sale for any protected market any tobacco without the permission of the board.

The board will have, of course, a number of other powers necessary for the carrying out of its objects, among which may be noted the following:—

- (a) to control and direct the procedure in regard to the export and sale of tobacco;
- (b) to require buyers to declare at the time of purchase the market or markets for which their purchases of tobacco have been made;
- (c) to incur expenditure in the furtherance of any scheme for development of the tobacco industry and the better marketing of tobacco;

- (d) by means of advertisement or otherwise to seek overseas markets for tobacco; and
- (e) for the purpose of developing new markets to buy tobacco for exhibition or sale in such markets.

Furthermore, no tobacco will be permitted to be sold or bartered in any other manner than by sale to a licensed buyer except with the permission of the board, or exported from the protectorate to any protected market by any person other than the committee of the pool¹ except:—

- (a) by a licensed buyer; or
- (b) Under a permit from the board—which may for any reason which it considers just or reasonable refuse to grant any such permit.

In addition, it will not be permissible to manufacture tobacco in the protectorate without the permission of the board, or to sell tobacco for manufacture within the protectorate without the permission of the board, except by the pool.

ESTABLISHMENT OF TOBACCO POOL

The board will have power to establish and control a tobacco pool and to appoint a committee of management thereof and to determine the classes, types, or grades of tobacco to which the operations of the pool will extend.

Every grower of tobacco subject to the operations of the pool will be required to contribute to the pool such percentage of his gross production of such grade or grades of tobacco as the board may annually determine. The committee may accept or reject any tobacco so contributed and dispose of it by sale, export, pledge, destruction, or in any manner whatsoever.

The committee will have all the powers necessary for the proper performance of its duties, which will be as follows:—

- (a) to classify and arrange all tobacco in the pool.
- (b) to make interim distributions to contributors of the proceeds of any sales of tobacco in which they are concerned, after deducting therefrom any charges which have been levied in accordance with the provisions of the ordinance; and
- (c) to make final payment of the balance of the net proceeds, if any, to the contributors concerned.

Adequate provisions are made for the enforcement of the ordinance and regulations made by the board under the ordinance.

The Southern Rhodesian scheme has already been passed by the Legislative Assembly and put into operation, and the Nyasaland scheme will probably be approved and put into operation shortly.

CONDITIONS IN NYASALAND IN 1935

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, April 2, 1936.—Statistics regarding the economic progress of Nyasaland during 1935 are as yet very meagre. From those that are available, however, it may be assumed that a considerable improvement in economic conditions took place during the year.

The total external trade of the protectorate increased from £1,257,296 in the calendar year 1934 to £1,356,214 in 1935, an increase of 7·9 per cent. Exports actually decreased from £771,990 to £754,824, a drop of 2·2 per cent, but this was more than made up for by an increase in imports from £485,306 to £601,390, a rise of 23·9 per cent.

The marked increase in imports was reflected in increased customs import revenue. The total collections for 1935 were £165,261 compared with £130,825 in 1934 and an estimated revenue for 1935 of £143,299, an increase of 26·3 per cent over the preceding year and of 15·3 per cent over estimated revenue. It

¹ See below.

seems safe to assume therefore that government finances will be in a satisfactory position for the year.

The outstanding feature of the year's export trade was a heavy decrease in exports of tobacco, the protectorate's principal export crop, which was, however, almost entirely compensated for by an increase of nearly 100 per cent in cotton exports, and a very substantial increase in tea exports.

ECONOMIC CONDITIONS IN NORTHERN RHODESIA IN 1935

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, April 2, 1936.—In spite of a serious outbreak of violence among the native mine workers during 1935, the Northern Rhodesian mines increased their production somewhat compared with 1934, and as mining is the principal industry of the territory, the progress made during 1934 was maintained during the year.

The approximate total value of the mineral production of the territory during 1935 was £5,229,970 compared to £4,776,134 in 1934, an increase of £453,836 or 9·5 per cent. The quantities and approximate values of the principal minerals produced during 1935 were as follows:—

	Tons 2,240 Lbs.	Quantity	Value
Copper (blister)	tons	119,927	£3,786,395
Copper (electrolytic)	tons	23,574	845,079
Cobalt	lbs.	918,775	206,725
Gold	ozs.	1,647	11,683
Manganese ore	tons	3,976	5,965
Vanadium	lbs.	381,109	78,895
Zinc	tons	20,645	290,151
Lead	tons	182	3,096

In the copper belt extensive preparations for heavily increased production as soon as world conditions permit have been made during the depression. These preparations neared completion during 1935, and as a result the mines of the copper belt are all in a position to double their previous best production at short notice.

AGRICULTURE

The principal crop of Northern Rhodesia is maize. During the 1934-35 season there were 40,018 acres planted to this crop as compared with 36,487 acres in the previous season, an increase of 3,531 acres or 9·7 per cent. The yield, however, was only 160,374 bags (200 pounds) as compared with 250,694 in the previous season, a decrease of 90,320 bags or 36 per cent. Of the other more important crops, there was an increase in the acreage planted to green manure crops from 9,250 in 1933-34 to 12,920 in 1934-35; in tobacco from 3,367 to 3,411; and in wheat from 2,845 to 3,234. The production of tobacco was 1,580,000 pounds, practically the same as in the preceding year; but the production of wheat rose from 12,564 bags (200 pounds) to 18,228 bags, an increase of 5,664 bags or 45·1 per cent.

EXTERNAL TRADE

Total exports of merchandise for the eleven months ending November 30, 1935, amounted to £4,308,825 in value as compared with £4,190,652 in the same period of 1934, an increase of 2·8 per cent. Total imports of merchandise during the same periods were value at £2,720,942 and £2,666,519 respectively, an increase of 2·4 per cent.

GOVERNMENT FINANCES

The Government budgeted for a balance between revenue and expenditure during 1935, estimated revenue being £780,395 and expenditure £780,245. Actual

revenue for the nine months ending September 30, 1935, amounted to £579,447, and expenditure £572,633. On the basis of the nine-month period's results, revenue for the year will amount to approximately £773,000 and expenditure to £764,000. Thus, although the actual revenue was probably slightly below estimates, the Government was probably able to show a small surplus at the end of the year.

LIVE-STOCK SITUATION IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One guilder or florin equals approximately \$0.67 at the current rate of exchange; one metric ton equals 2,205 pounds; one kilo equals 2.2 pounds)

Rotterdam, May 8, 1936.—Although dairying is the principal branch of agriculture in the Netherlands, the production of live stock follows in a leading position. Apart from filling the greater part of the requirements of the home market, live animals, meat, and meat products are important export commodities, and the gradual curtailment of foreign markets which has been taking place during the recent years of economic anarchy has done much to deepen the distress which exists among the farmers and stock raisers in the Netherlands.

Because of assistance given by the state in certain lines of production, the most notable of which is bacon, some success has been attained in maintaining the volume of the outflow. On the other hand, the values of the export of meat and dairy products have fallen sharply and to a much greater extent than money values have increased. In the Netherlands there is a heavy deficiency of domestic feeding stuffs. These are purchased abroad and converted into pork, beef, butter, and cheese, a large proportion of which must be exported. With the contraction of foreign purchases the equilibrium has been maintained by a weakening in the demand for the raw materials.

LIVE-STOCK POPULATION

Figures are available covering the live-stock population of the Netherlands up to June, 1935, when the last census was made. These show a decrease in comparison with the preceding year but are well ahead of the 1930 position, which means that over-production is still a serious question. The total of all types of cows and cattle, for instance, was 2,639,000 in comparison with 2,830,000 in 1934, 2,877,000 in 1933, and 2,335,515 in 1930. The 1935 cipher was therefore 11.5 per cent greater than for 1930. The number of milch cows and fat cattle in 1935 was actually greater than in 1934, but there was a noticeable drop in the number of heifers and steers.

Comparative figures regarding the cattle census for the past two years are subjoined:—

	1934	1935
Heifers, under 1 year.	459,197	399,151
Steers, under 1 year.	75,920	64,628
Cows in calf or dry, 1 year and older	673,275	532,357
Milch cows	1,433,955	1,434,694
Steers, 1 year and older	49,289	37,668
Fat calves	45,865	42,258
Fat cattle	92,183	128,221
Total.	2,829,684	2,639,177

As regards hogs, there was a substantial decrease in 1935 in comparison with the preceding year, the total having fallen by 27 per cent from 2,081,725 to 1,523,751. On the other hand, there was an increase in the number of horses and of sheep, the former having gone up from 269,298 to 287,970 and the latter from 641,894 to 680,174.

The production of both cattle and hogs in the Netherlands is subject to a high degree of state control and supervision and centralization of exports. The contractions in number noted above have been due largely to preconceived efforts to bolster prices by decreasing production. In addition, government control is part of the larger scheme to remodel the mechanism of production so that export surpluses are eliminated and replaced by merchandise which would normally be purchased abroad.

DOMESTIC CONSUMPTION OF MEAT

The domestic consumption of meat has tended to remain stationary during the past ten years, although on a per capita basis it has actually decreased. The appended table indicates the number of cattle and other ruminants killed for home use from 1926 to the present, but does not include the surplus cattle and calves slaughtered under crisis legislation:—

Number of Animals Slaughtered for Home Consumption

	Cattle	Calves	Horses	Hogs	Sheep
1926	416,670	331,623	46,913	1,295,645	111,529
1927	439,525	436,198	36,982	1,377,085	139,432
1928	498,510	538,854	47,571	1,539,469	133,552
1929	485,585	601,631	52,990	1,331,492	105,352
1930	389,780	517,359	51,985	1,556,332	65,818
1931	352,667	473,544	37,494	2,168,545	58,658
1932	435,025	634,167	36,134	2,237,211	136,071
1933	480,575	716,896	25,084	1,667,470	262,941
1934	377,289	757,593	28,426	1,716,426	209,288
1935	413,612	849,073	27,485	1,435,866	273,604

IMPORTS AND EXPORTS OF BEEF AND VEAL

Both the imports and exports of beef and veal are of small importance and have contracted sharply during the four years from 1931 to 1935. As regards the former, the only items of any consequence are chilled beef and veal which comes from Denmark and frozen beef from Argentina. In 1931 imports of the first-named weighed 13,644 metric tons. In 1935 this figure had diminished to 2,482 tons. Similarly, imports of frozen beef declined from 7,147 tons to 1,213 tons. These drops in imports are largely due to quota restrictions which were first imposed on January 16, 1932.

The exportation of beef and cattle destined for slaughtering, never of large volume, has practically ceased; as the subjoined table indicates:—

	Number of Cattle and Calves Slaughtered in the Netherlands	Number of Cattle and Calves Exported for Slaughtering	Total Exports of Beef and Veal in Metric Tons
1926	748,293	1,707	15,375
1927	875,723	9,433	16,199
1928	1,037,364	9,604	12,778
1929	1,087,216	12,710	14,873
1930	907,139	10,212	8,096
1931	826,211	5,386	7,443
1932	1,069,192	2,423	2,773
1933	1,197,471	2,508	815
1934	1,134,882	433	599
1935	1,262,685	227	262

The aggregate consumption of meat can be determined by deducting the quantities exported from the totals produced in the country and adding imports. The yearly total in metric tons, together with the per capita consumption from 1926 to 1935 of the principal varieties of meat in kilograms, works out as follows:—

Year	Total Meat Consumption in M. Tons	Per Capita Consumption in Kilos			
		Beef	Pork	Mutton, Horsemeat, etc.	Total
1926	321,869	19.3	20.5	3.7	43.5
1927	340,645	19.2	22.9	3.3	45.4
1928	359,723	20.8	22.4	4.0	47.2
1929	337,371	20.4	19.4	3.3	43.1
1930	342,299	18.0	22.1	3.1	43.2
1931	387,432	16.2	29.8	2.1	48.1
1932	397,089	18.1	28.8	1.6	48.5
1933	358,996	19.5	21.9	1.9	43.3
1934	355,865	15.7	24.9	1.8	42.4
1935	333,435	17.0	20.3	1.9	39.2

Apart from the foregoing, there have been additional quantities of beef consumed during the past three years, through the surplus animals which were done away with under crisis legislation being processed and canned for distribution among the unemployed. In 1933 the quantity falling under this heading was 2,270 metric tons, in 1934 10,298 tons, and in 1935 approximately 21,947 tons.

PORK PRODUCTION

The production of bacon is the principal branch of the Dutch hog industry. Formerly fresh pork was the leading commodity, but when in 1926 the British authorities put an embargo on its importation, the manufacture and export of bacon was substituted. The United Kingdom is the leading purchaser of Dutch bacon, with Holland coming in second place after Denmark among supplying countries.

While export markets are important from the point of view of the Netherlands hog producers and in 1927 absorbed over 38 per cent of the total number of animals slaughtered, their relative values have, as the following table shows, been moving downward until 1935, when this proportion was halved. Concurrently, however, the value of the domestic market has increased, and while the total number of hogs killed in 1935 was much below the average of the past ten years, the greater use of pork by home consumers has prevented what would otherwise have been a sharper falling off.

The subjoined figures indicate the weight in metric tons of dressed hogs used for domestic consumption and export during the past ten years, together with the ratio for each:—

Dressed Hogs for Domestic Consumption and Export

Year	Domestic Figures	Export in Metric Tons	Total Tons	Per Cent	
				Domestic	Export
1926	154,080	64,623	218,703	70.4	29.6
1927	175,656	109,556	285,212	61.5	38.5
1928	183,403	94,941	278,344	66.0	34.0
1929	158,381	65,784	224,165	70.7	29.3
1930	183,924	72,451	256,375	71.7	28.3
1931	256,883	86,843	343,726	74.7	25.3
1932	264,836	74,674	339,510	78.0	22.0
1933	197,102	64,702	261,804	75.3	24.7
1934	228,961	45,859	274,820	83.3	16.7
1935	184,133	29,996	214,129	86.0	14.0

EXPORTS OF PORK PRODUCTS

The volume of live hogs and pork products exported from the Netherlands was at its peak in 1928 with a total of 110,390 metric tons. As recently as 1931 and 1932 the figures were substantial, but in 1935 they shrank to only 39,091 tons, only a little more than a third of the high level. The most noticeable decline has been as regards fresh pork, which has now all but ceased to be an export article. France and Belgium were formerly the most important markets. Belgium was also the leading buyer of live hogs. As has already

been noted, the United Kingdom takes all the bacon exported, while the bulk of the other pork products go to Germany.

The quantity of pork exported, in metric tons, each year from 1926 to 1935 was as follows:—

<i>Exports of Pork</i>					
	Fresh Pork	Live Hogs Figures	Bacon in Metric Tons	Frozen Fat Backs, Salted and Smoked Pork other than Bacon	Total
1926	28,769	484	35,369	425	65,948
1927	51,071	8,939	49,545	834	110,390
1928	29,182	9,952	55,806	9,700	104,641
1929	15,388	2,820	47,575	6,260	72,044
1930	26,088	2,659	43,703	7,566	80,918
1931	34,503	1,745	50,545	17,045	103,888
1932	21,075	3,743	49,856	39,366	104,040
1933	14,387	767	46,214	19,090	80,458
1934	5,331	653	30,921	32,318	59,223
1935	777	83	26,259	11,972	39,091

ASSISTANCE TO HOG-RAISING INDUSTRY

Assistance was first given to the hog-raising industry by a law of July, 1932, which set up a supervising organization designated as the Central Office for Hogs and authorized the appointment of a governing committee, the members of which were to be producers, exporters and others engaged in the trade. It was further required that all hogs kept in the Netherlands must be provided with an ear-mark which took the form of a small metal tab. By this means production could be kept under strict control, while the sale of the marks was made a source of revenue which was supplemented by the levying of an excise tax on pork consumed on the home market. The total income thus derived was paid into a fund the purpose of which is to subsidize agriculture and by means of which hog raisers are guaranteed a minimum price.

Since May, 1933, the Central Office for Hogs has had an entire monopoly of all bacon exports. The hog office has also from time to time taken various numbers of hogs and piglets off the market in order to reduce the surplus. For the most part, these have been slaughtered and disposed of at low cost as a foodstuff for the unemployed. This action, together with restrictions on the issue of ear-marks, has combined to reduce the total number of hogs in the country.

HORSEMEAT

Horsemeat is used to a limited extent in the Netherlands as a foodstuff, although consumption has decreased drastically since 1930, principally on account of the relative cheapness of beef and other meats.

Between 1929 and 1935 the number of horses slaughtered dropped by almost half, while imports of meat contracted to a much greater extent. The importation of horses on the hoof for slaughtering purposes has also reached a low level so that the remaining demand for horsemeat is met almost entirely by the killing of domestic animals.

The first column of the subjoined table gives the number of horses slaughtered each year since 1926. The number of these which were imported is listed in the second column. In addition imports in metric tons of both pickled and fresh horsemeat are shown. The United Kingdom, Germany, and Poland were the principal countries of origin of horses for slaughtering. Pickled meat comes almost exclusively from the United States. The United Kingdom is the principal source of fresh horsemeat.

	Total Number of Horses Slaughtered	Of which were Imported	Imports of Pickled Horsemeat in M. Tons	Imports of Fresh and Chilled Horsemeat in M. Tons
1926	46,913	11,814	2,996	381
1927	36,982	9,095	3,228	631
1928	47,571	13,943	5,461	811
1929	52,990	15,779	4,645	1,012
1930	51,985	22,097	4,050	1,126
1931	37,494	16,907	3,314	639
1932	36,134	2,823	2,061	165
1933	25,084	1,502	1,484	45
1934	28,426	365	1,113	48
1935	27,485	507	569	33

Domestic producers of horsemeat are protected from foreign competition by import restrictions on both slaughtering horses and meat. As regards the latter, Canada has no quota, although the United States by virtue of the recent treaty with the Netherlands has been given an allotment for the current year of 1,000 metric tons.

CONTROL OF CATTLE PRODUCTION

The control of cattle production in the Netherlands is vested in the state by virtue of legislation known as the Agricultural Crisis Law, which became effective in 1933.

Chiefly because of the decline in dairy exports it was, based on this law, deemed necessary to restrict the number of cattle. In September, 1933, the Crisis Rundvee Centrale (Central Cattle Office)—an official body which had been created by the Government to control the live-stock trend—began to take 200,000 surplus milch cows off the market, at the price of fl. 100 per head (\$67 at the current rate of exchange). Animals whose meat was not suitable for export or domestic consumption were destroyed. The meat of the others was exported as far as possible and the balance distributed among poor families, at a nominal price.

On May 14, 1934, the Crisis Cattle Decision, 1934, became effective. The purpose of this law was to control and to rationalize the stock of cattle. Based on this decision, steers and bullocks weighing from 132 to 440 pounds and cows weighing from 220 to 374 pounds could only be kept, transported and handled by farmers and dealers who were registered with the Central Cattle Office in their respective districts. In addition, these animals had to be provided with a certificate of identity. During the period from May 15, 1934, to October 31, 1934, a total of 383,120 certificates of identity were issued.

For fattening purposes special licences were granted.

On October 29, 1934, the Minister of Economic Affairs announced that further measures were to be taken in order to reduce the number of milch cows, and that the allotment of certificates of identity for calves for 1935 was to be decreased. At the same time, 150,000 young cattle were taken over by the Central Cattle Office. Animals affected with tuberculosis were destroyed, while the meat of the others was canned and sold on the domestic market. The prices paid for these animals varied depending on quality and ranged as follows (in live weight):—

Class A	Fl. 0.25 per kilo (appr. \$0.17 per 2.2 lbs.)
Class B	Fl. 0.22 per kilo (appr. \$0.15 per 2.2 lbs.)
Class C	Fl. 0.19 per kilo (appr. \$0.13 per 2.2 lbs.)

In December, 1934, the Netherlands Cattle Office announced that, as from January 1, 1935, until further notice, certificates of identity were required for all steers and bullocks weighing from 308 to 748 pounds, and for cows weighing from 352 to 594 pounds.

During the period from November 1, 1934, to November 1, 1935, 382,500 certificates of identity were issued covering 325,000 heifers and 57,500 bull calves.

FEEDSTUFFS TRADE

Hogs more than any other kind of live stock account for Dutch consumption of imported feedstuffs, although the exact amounts consumed cannot be determined. Corn is the principal product used, with Argentina by far the most important country of origin. There is no domestic production. Barley follows corn in second place; rye is used to a smaller extent. The inland production of barley averages about 145,000 metric tons per annum and of rye approximately 461,500 metric tons. In addition to coarse grain, animal meal, fish meal, and milk powder are employed extensively as hog feed.

For cattle feed, oil cakes constitute the principal imports. The quantities of these entering the country have contracted precipitously, particularly as regards linseed cake, which was formerly handled in large quantities. This is chiefly due to quota restrictions on all varieties of cakes which for the current period limit exports to 60 per cent of the twelve-monthly average of July, 1931, to June, 1933. Concurrently, there has been an increase in the domestic production of oil cakes although the total consumption is less than formerly.

The appended table recapitulates in metric tons the quantities of some of the more important feeding stuffs which have been imported yearly since 1926.

Feedstuff Imports

	Corn	Barley	Fish Meal Figures in	Linseed Cake Metric Tons	Peanut Cake	Soya Cake
1926	1,018,537	305,988	.....	266,935	39,820	25,486
1927	1,383,774	294,345	.....	214,062	32,721	27,355
1928	1,211,938	334,489	11,873	228,113	54,257	37,838
1929	994,092	318,604	15,074	245,470	99,980	55,127
1930	1,125,788	535,140	21,030	120,909	76,457	33,328
1931	1,570,991	567,534	25,877	142,111	68,308	28,271
1932	1,682,514	393,291	20,172	101,520	39,217	26,754
1933	1,239,034	493,189	21,567	192,429	61,300	39,610
1934	997,158	348,808	26,336	55,956	29,753	17,450
1935	886,389	295,256	11,908	51,410	17,101	8,897

WHEAT AND FLOUR SITUATION IN GREECE

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

(Quantities are in metric tons of 2,205 pounds. The stremma is equal to one-tenth of one hectare or about one-quarter of an acre)

Cairo, April 27, 1936.—The year 1917 marked the beginning of a new era in the history of agriculture in Greece with the wholesale expropriation by the Government of the large landed properties and their division into small plots which were handed over to the peasants. The new policy of reforms was, however, interrupted by the war with Turkey in 1920-22, when large numbers of cattle were requisitioned, while the land for several years remained sparsely cultivated, poor wheat crops being produced, averaging only 350 to 400 pounds per acre.

INCREASED AGRICULTURAL PRODUCTION

Following the conclusion of peace with Turkey in 1922, the population of Greece, which was then 5,250,000, was suddenly increased by about one-quarter with the arrival of over 1,000,000 Greek refugees from Turkey as a result of the obligatory exchange of Greeks and Turks living in these two countries under the Convention of Lausanne. On the other hand, over 300,000 Turks emigrated from Greece.

The arrival of the Greek refugees from Turkey provided Greece with a serious problem, the majority of them being practically penniless. To cope with

this problem the Government established camps, requisitioned shelter, supplied food and live stock, employed tractors to break up new lands, drained marshy ground, sank artesian wells, and built new roads. Over 210,000 acres were set aside for the refugees who had been previously engaged in agriculture in Turkey.

The census taken in 1928 returned a population of 6,205,000, and at the present time Greece has about 7,250,000 inhabitants.

In 1914 the total area under cultivation was approximately 3,340,000 acres. In 1928 there were 3,994,000 acres under cultivation; in 1930 nearly 4,447,000 acres and 4,880,000 in 1931. The total area under cultivation in 1935 is estimated at 22,368,000 stremma (about 5,592,000 acres), compared with 21,485,000 stremma in 1934 and 20,811,000 stremma (5,203,000 acres) in 1933.

The following table draws a comparison between agricultural production in Greece during 1933 and 1924, by main crops. It should be noted, however, that the 1933 yields were exceptionally high owing to the extremely favourable weather conditions:—

Agricultural Production by Chief Crops, 1924 and 1933

Crops	1933		1924	
	Acres	1,000 M. Tons	Acres	1,000 M. Tons
Wheat	1,733,350	7,725	1,166,460	2,102
Rye	186,060	711	89,700	231
Barley	560,800	2,295	415,310	938
Oats	345,280	1,344	259,000	447
Maize	654,070	2,733	503,400	1,562
Beans	46,630	142	22,050	37
Potatoes	43,800	1,131	34,500	476
Cotton	72,850	230	40,660	106

WHEAT CULTIVATION IN GREECE

Compared with 1927-28, the land under cereal cultivation in 1934-35 represented an increase of over 40 per cent.

Approximately 70 per cent of the total land under cultivation at the present time is taken up by cereals, of which considerably over one-half is under wheat.

In the crop year 1933-34 the area sown under wheat was, according to the figures released by the General Statistical Services, 1,978,800 acres with a yield of 698,870 metric tons, while other cereals occupied an area of 1,791,900 acres, the yield being 598,500 metric tons. The Ministry of Agriculture, however, reported the area under wheat as 2,006,000 acres and production as 791,700 tons, with 1,901,000 acres under other cereals and a yield of 678,800 tons.

The preliminary figures for the 1934-35 crops issued by the two government services also differ considerably. According to the General Statistical Services, there were 2,231,400 acres under wheat with a yield of 720,000 metric tons, with 1,825,000 acres under other cereals and a production of 556,640 tons. The Ministry of Agriculture, on the other hand, gives 2,142,500 acres under wheat with 831,770 tons, and 1,784,000 acres for other cereals producing 651,600 tons. These two sets of figures agree in forecasting an increase in the production of wheat in 1934-35 as compared with the preceding year and a decrease in the production of other cereals.

SELECTION OF WHEAT FOR SEEDING

The climate of Greece does not allow of the cultivation on a large scale of such crops as beets, potatoes, rice, or fodder, while owing to the difficulty of finding markets abroad for two main agricultural products of Greece, tobacco and grapes, the growing of these two plants on larger areas cannot be encouraged. Wheat is therefore about the only crop which can be grown profitably by the farmers.

For these reasons, and as the yield was very low, averaging less than 400 pounds per acre, while the country was largely dependent upon foreign sources to meet the local demand for wheat, the Government concluded that it was essential to increase the yield by selecting and improving the varieties used as seed, and in 1923 the first experimental plots were cultivated for this purpose.

In 1925 a central agricultural station was organized, known as the Institute of Salonika, which includes five sub-stations; besides there are from 50 to 100 experimental fields in various districts for the growing of selected seed. The selected seed produced is distributed to farmers for cultivation under the supervision of the institute, and is afterwards purchased by the Government. In this way from 1,500 to 2,000 tons of improved seed are produced annually and placed at the disposal of the farmers.

The climate of Greece varies considerably owing to the mountains and the general configuration of the country, the seacoast line being very irregular. During the critical stage of their growth the crops are subject to serious damage by hot and dry winds. Over half the cereals produced in Greece are grown in the departments of Macedonia and Thessaly.

VARIETIES OF SEED

Following a study of regions in other countries which possess a climate similar to that of Greece, a list of varieties to be introduced was drawn up for trial purposes in the experimental fields. In this way varieties from Australia, Italy, California, and Southern France have been tried and compared with the best Greek varieties.

After trials made over several years, there was imported in 1928 and 1930, on a fairly large scale, the Australian "Canberra" type, which, because of its early maturity, appeared to be most suitable on the chief wheat-growing lands of Greece. This variety ripens about ten days before the local types and matures before the usual period of the hot winds.

It is stated that the "Montana" type, an Italian variety, has been found even superior to the "Canberra" in several respects, chiefly because it ripens five days earlier and is less subject to rust. In respect to milling qualities, "Canberra" is equal to the best Greek wheats, whereas the "Montana" is not as good. These two varieties, chiefly the "Montana," have replaced the Greek types where the soil is alkaline; they were sown in 1935 on about 625,600 acres.

In Western Macedonia, where the Canberra and Montana varieties do not do well because of the frosts, an Italian variety known as the "Cologna" has been tried with success, and at the present time another Italian type, the "Rieti II," is being propagated in this district. This latter variety is said to have given better results than any other type, whether local or foreign.

GOVERNMENT POOLING OF WHEAT

In 1927 there was organized a special service attached to the Ministry of Agriculture for the purchase at a price favourable to the wheat growers, in conjunction with a bank, of a part of the wheat produced in Greece. This wheat was to be sold to the milling industry and trade at prices intended to establish an equilibrium between the price of locally grown and imported wheat.

In 1927 the quantity of local wheat thus "concentrated" totalled 3,000 metric tons. In 1931 it amounted to 37,800 tons, and in 1933 about 225,000 tons were concentrated by the Union of Agricultural Associations, this total being exceeded in 1934. This system has been satisfactory for the farmers as the prices paid for local wheat have been higher than those paid for imported wheat.

In 1933 wheat merchants were compelled to purchase wheat in the ratio of one local to two imported, while importers of flour were subject to a special

tax of 25 cents per 100 pounds over and above the normal import duties in favour of the Wheat Protection Committee. The price which the farmer received for his wheat was arrived at by taking a similar grade of imported wheat delivered at the port of Piraeus, plus duty and other charges, together with a further fixed additional protective amount of 44 cents per 100 pounds.

The pooling system was of great assistance to Greek farmers when the world economic crisis set in after 1929, causing a considerable drop in the price of foreign wheat, exerting a detrimental effect on the price of local wheat.

The Government supplied the farmers, through the Wheat Pooling Committee, with 5,000 tons of cleaned and disinfected wheat for the 1935-36 crop, while about 2,000 tons of wheat were imported for seeding.

PROTECTIVE TARIFFS

In addition to the various measures outlined above, the Government, with a view to decreasing imports and so reducing the amount of foreign exchange leaving the country as a result of the adverse balance of trade, successively raised the duty on imported wheat flour so as to enable the local milling industry to supply the entire demand. The success of this policy may be judged by the fact that Greece's imports of wheat flour, which totalled 49,124 metric tons in 1928, were reduced to 14,279 tons in 1930 and to only 691 tons in 1933.

The duty on foreign wheat was also increased, but the millers have been able, under special decrees, to import wheat at the minimum rates of duty from countries such as Argentina, Australia, and Canada, to whose products Greece's most-favoured-nation treatment does not apply.

FLOUR IMPORTS

Wheat flour imports since 1930 have been as follows:—

From	1930	1931	1932	1933	1934	1935
	Figures in Metric Tons					
United States	8,670	2,715 ¹	591	341	676	981
Italy	1,589	190	124	224	166	282
France	1,025	762	246	97	19	....
Other	2,995 ¹	1,813 ²	532 ³	29	13	....
	14,279	5,380	1,493	691	874	1,263

¹ Australia 1,704, Hungary 985, Canada 18 metric tons.

² Australia 1,301, Canada 265, Roumania 101 metric tons.

³ Roumania 364, Canada 87, Hungary 39 metric tons.

In 1928 Greece imported 49,124 metric tons of wheat flour, of which the United States supplied 35,427 tons, Australia 5,160 tons, and Canada 3,707 tons.

IMPORTS OF WHEAT

During the six years 1927-32 the average yearly imports of wheat into Greece amounted to 554,000 metric tons. With reference to this period, it may be observed that during 1928 to 1931 crops in Greece were very poor, and subsistence loans had to be granted to farmers and seed distributed in certain districts. In 1932, however, the wheat crop was fairly good, and it was followed by an exceptionally large crop in 1933, with the result that wheat imports dropped from 601,555 tons in 1932 to 448,625 tons in the following year, while in 1934 imports were reduced to 260,082 tons.

In 1935, however, imports of wheat rose to 442,897 tons. This rise is attributed to the increase in the population, besides increased consumption per head, to stocks held in reserve by producers, and to the decreased production of other cereals following drought, chiefly maize (corn). Moreover, although

the area cultivated under wheat has increased annually, yields have dropped since the bumper crop* of 1933, which averaged 111 kilograms per stremma in that year (976 pounds per acre). In 1934 the yield fell to 777 pounds per acre, and in 1935 to 704 pounds.

The following table shows the imports of wheat flour and wheat into Greece during the years 1928 to 1935, together with local production of wheat. The figures given with reference to the latter are subject to the reservation that they are questionable owing to conflicting data obtainable:—

Imports of Wheat and Wheat Flour into Greece, 1928 to 1935

Year	Wheat Flour	Imports of	Wheat
	Imports	Wheat	Production
	M. Tons	M. Tons	M. Tons
1928	49,124	475,992	373,000
1929	31,222	597,909	311,200
1930	14,279	574,689	264,200
1931	5,380	662,916	351,400
1932	1,493	601,555	564,000
1933	691	448,625	772,500
1934	874	260,082	700,000
1935	1,263	442,897	720,000

It may be calculated from the above table that in 1934 imports of wheat were not on a large enough scale to satisfy the demand of the growing population, and the increase in the flour imports since 1933, though small, is a further indication, together with the larger imports of wheat in 1935, that Greece must purchase foreign wheat to the extent of at least 400,000 metric tons per annum at the present rate of consumption per capita.

Apart from this, there is the consideration that the area cultivated under wheat in Greece cannot be greatly increased, while adverse weather conditions in any year must result in larger imports.

SOURCES OF IMPORTED WHEAT

For several years previous to 1930 the United States and Canada, in the order named, were the chief sources of supply for wheat imports into Greece. In 1928 imports from the United States amounted to 233,710 metric tons, and from Canada 169,261 tons, out of a total of 476,000 tons. During the next two years imports from the United States increased, and purchases from Canada decreased. In 1931, however, the United States forfeited considerable business to Russia, and Canada's share of the imports increased. At the close of the year, however, in the absence of a commercial treaty with Canada, Greece subjected all imports from the Dominion to duties equivalent to ten times the rates under the maximum tariff, and the same treatment was meted out to other non-treaty countries, including Australia and Argentina. As a result, there was a considerable reduction in imports of wheat from Canada in 1932 and 1933, and it was only under special decrees extending the minimum rates and specifying the quantities thus favoured that imports from the Dominion, as well as from Australia and Argentina, were made possible.

In 1934 and 1935 imports of Canadian wheat amounted to only 3,384 and 1,342 metric tons respectively. Another factor, however, which militated against imports from Canada during this period was the excessive spread in prices which existed between Canadian and Argentine wheat. Preference was also shown the Argentine because of the considerable share of Argentina's foreign trade which is carried on Greek ships.

The following table illustrates the position during the last five years:—

Imports of Wheat by Countries, 1931-35

From	1931	1932	1933	1934	1935
		Figures in Metric Tons			
Canada	156,802	31,115	77,455	3,384	1,342
United States	174,737	285,204	38,969	23	.....
Russia	144,283	163,339	94,348	61,006	71,867
Argentina	76,104	11,339	208,295	158,018	311,027
Australia	66,652	6,772	22,858	797	.....
Other	44,338 ¹	103,541 ²	6,700	36,854 ³	58,661 ⁴
Total.	662,916	601,555	448,625	260,082	442,897

¹ Roumania 19,147, Yugoslavia 7,052 metric tons.

² Roumania 35,620, Yugoslavia 31,320 metric tons.

³ French Morocco 21,718, Algeria 10,683 metric tons.

⁴ French Morocco 34,936, Algeria 13,457 metric tons.

As will be seen from the above table, imports from the United States in 1934 were practically nil, while no American wheat whatever was imported into Greece in 1935 as a result of the recent agricultural policy of the United States, combined with low wheat crops. As soon as the United States is in a position to resume exports, however, it is to be expected that they will endeavour to secure part of Greece's requirements in foreign wheat, while Russia and Australia will also compete in a market which at the present time finds Argentinian wheat too expensive. Imports from French Morocco and Algeria during the last two years are also an interesting feature.

Since the rise in the price of Argentinian wheat, Greek merchants and millers have placed orders in Australia and Canada, and a decree published this month sanctioned the importation of 60,000 and 40,000 tons respectively from the Commonwealth and the Dominion at minimum rates of duty. It is estimated that at least 100,000 tons additional will be required to meet the demand for wheat in Greece before this year's local wheat crop comes on the market.

The milling qualities of Canadian wheat are known and appreciated in Greece. At competitive prices it is preferred to other varieties.

Present flour milling regulations in Greece limit the percentage of moisture in flour to 13 and 13.5 per cent, and in this connection Canada would improve its prospects in the Greek market by offering wheat which is specified not to exceed 12 or 12.5 per cent moisture, as any excess moisture requires the drying of the wheat before use at the mills, thus adding to the cost of milling.

EXCHANGE REGULATIONS IN POLAND

Mr. Paul Sykes, Canadian Trade Commissioner at Hamburg, reports that under the Polish exchange control, recently established, the regulations are designed to prevent any continued drain on Poland's monetary reserves rather than to regulate foreign trade. The Government has stated that no obstacles will be offered to the transfer abroad of payment for "essential" goods. It may be assumed, however, that permits for the completion of payment in the case of various "non-essentials" will be difficult to obtain.

It is not considered that Canadian exports to Poland will be seriously affected. Imports of Canadian goods into Poland are at present restricted in amount and variety and are made up largely of raw materials essential to Polish industry. Canadian exporters should nevertheless obtain assurance that exchange regulations have been complied with and that importers are in a position to obtain exchange without delay.

TRADE OF HAITI IN 1934-35

F. W. FRASER, CANADIAN TRADE COMMISSIONER

(One gourde equals 20 cents United States currency)

Kingston, Jamaica, May 7, 1936.—A heavy decline took place in the import trade of Haiti during the last fiscal year ended September 30, 1935, but an even greater decline in exports turned a favourable trade balance of over 5,000,000 gourdes in 1933-34 into an unfavourable balance of a like amount in 1934-35, according to the report of the Fiscal Representative of Haiti, just published. Total imports dropped from 45,685,208 gourdes to 41,161,621 gourdes during the period, and exports fell from 51,546,191 gourdes to 35,629,205 gourdes. The reason for this serious decline in foreign trade is found in the size of the coffee crop, which was the lowest recorded in years, and exports were less than half the quantities shipped during the peak year of 1932-33. The small crop accompanied by lower prices had the above reported adverse effect on imports.

The decline in coffee production, it is stated, was not due to adverse markets, reduced acreage, or lower prices, but, due to climatic conditions, resulted simply from a reduced yield of the coffee trees. This situation, the Fiscal Representative points out, serves to show the dangers of almost complete dependence on one crop, and the wisdom of diversification.

While coffee exports suffered considerably, other crops were not so affected, and in most cases showed improvement. Cotton exports were well maintained, those of sugar reached a new high, and banana shipments were increased by over 100 per cent.

DIRECTION OF TRADE

The following table shows the value and percentage of Haiti's import and export trade by principal countries during the fiscal years ending September 30, 1933, 1934, and 1935:—

Imports into Haiti

Countries	1933		1934		1935	
	Gourdes	Per Cent	Gourdes	Per Cent	Gourdes	Per Cent
France	2,202,832	5.75	2,299,383	5.03	2,259,257	5.49
United Kingdom	4,869,132	12.70	4,780,024	10.46	3,770,925	9.16
Canada	306,014	0.80	681,788	1.49	805,994	1.96
Other British Empire	103,858	0.15	324,710	0.68	220,108	0.29
United States	23,850,935	62.22	22,107,138	48.39	19,914,238	48.39
Japan	1,156,152	3.02	8,829,263	19.33	7,270,260	17.66
Belgium	537,897	1.40	804,123	1.76	833,099	2.02
Denmark	147,888	0.39	219,001	0.48	113,815	0.28
Germany	1,867,206	4.87	2,025,638	4.43	2,483,781	6.04
Italy	298,386	0.78	437,023	0.95	491,738	1.19
Other countries	2,993,643	7.92	3,177,117	7.00	2,998,406	7.52
Total	38,333,943	100.00	45,685,208	100.00	41,161,621	100.00

Exports from Haiti

Countries	1933		1934		1935	
	Gourdes	Per Cent	Gourdes	Per Cent	Gourdes	Per Cent
France	25,275,888	54.18	27,680,817	53.70	14,090,222	39.55
United Kingdom	5,357,180	11.48	6,038,306	11.71	7,956,910	22.33
Canada	73,821	0.16	332,244	0.64	170,005	0.47
Other British Empire	10,793	0.06	33,839	0.10	27,161	0.15
United States	2,919,092	6.26	4,527,643	8.78	4,299,679	12.07
Japan . . . . .	.....	.....	36,107	0.07	867,870	2.44
Belgium	3,463,954	7.43	3,718,443	7.22	3,115,393	8.74
Denmark	3,834,834	8.22	3,308,365	6.42	2,243,838	6.30
Germany	559,524	1.20	373,650	0.72	1,322,980	3.71
Italy	2,003,323	6.44	4,117,140	7.99	831,690	2.33
Other countries	3,151,957	4.57	1,379,637	2.65	703,457	1.91
Total	46,650,366	100.00	51,546,191	100.00	35,629,205	100.00

The decline in exports to France was due not only to smaller coffee shipments, which were cut in half, but by a similar percentage fall in the shipments of cotton, as well as lower exports of logwood and honey to that country.

On the other hand, exports to the United Kingdom showed a substantial increase, that country taking the greater part of Haiti's production of raw cotton, raw sugar, and cottonseed cake. The share taken by the United States also showed a considerable percentage increase, although the actual value showed little change from the previous year. Noteworthy changes in exports to the United States were increased shipments of bananas, molasses, and sugar, offset by declines in shipments of sisal, cacao, logwood, and coffee. The balance of the export trade is divided between Belgium, Denmark, Germany, Japan, and Italy.

In an effort to bring about more equitable trading relations with various countries, a law was enacted on April 15, 1935, establishing a maximum tariff of 100 per cent of the then existing duties applicable to imports from those countries which had been taking only negligible quantities of Haitian products. This law had the effect of abruptly changing the direction of a portion of Haiti's import trade, as the above table indicates.

IMPORTS

The reduced purchasing power of the consuming population caused by lower exports had an adverse effect on the importations of the staple groups of commodities, notably textiles and foodstuffs, but had little effect on the luxury and semi-luxury items such as automobiles and liquors, and on chemical and pharmaceutical products, iron and steel products, and household utensils. Imports of textiles dropped in value by 21·8 per cent, manufactured cotton articles by 15 per cent, flour by 11·6 per cent, fish by 14·9 per cent, and miscellaneous foodstuffs by 12·4 per cent. Lower imports are recorded also in gasolene, soap, leather goods, lumber, and trucks.

EXPORTS

In spite of the 40-per-cent decline in the value of the exports of coffee during the year under review, this commodity still remained the most important, amounting to 53·59 per cent of the total in value as against 70·68 per cent in 1933-34. Cotton shipments accounted for 21·52 per cent of the total, a substantial increase over the previous year; and sugar amounted to 9·79 per cent, an increase of 46·23 per cent. Thus these three commodities contributed 84·80 per cent of the total exports in 1934-35.

Shipments of bananas amounted to 519,719 stems, an increase of 138·1 per cent over the previous year. Banana production has been given impetus in the republic through the negotiation of a contract between the Government and the Standard Fruit and Steamship Company Inc. of New Orleans, granting to this company the exclusive privilege of buying bananas for export. For this concession the company undertakes the expenditure of such capital as may be necessary to bring the average yearly production up to 2,000,000 stems during the first three years and ultimately to a minimum of 4,000,000 stems within seven years. Banana exports in 1934-35 amounted in value to 2·14 per cent of all exports.

Other exports in order of importance were: cottonseed cake, 549,652 gourdes (1·54 per cent); goatskins, 426,270 gourdes (1·20 per cent); cacao, 402,963 gourdes (1·13 per cent); logwood, 366,931 gourdes (1·03 per cent); molasses, 321,610 gourdes (0·90 per cent); rum, 179,349 gourdes (0·50 per cent); honey, 124,915 gourdes (0·35 per cent); all other exports, 218,622 gourdes (0·62 per cent).

NOTES ON IMPORTED COMMODITIES

(The figures are for the year ended September 30, 1935)

Agricultural Machinery, Tools, and Implements.—Imports under this heading dropped to 532,942 gourdes as compared with 637,939 gourdes during the previous year. Germany was the principal supplier, followed by the United States, the United Kingdom, and, to a lesser extent, Belgium and the Netherlands.

Automobiles, Trucks, and Tires.—Imports of automobiles increased from 226 units (783,584 gourdes) to 252 units (953,831 gourdes). On the other hand, imports of trucks declined from 116 units (348,559 gourdes) to 76 units (249,170 gourdes). Imports of automobiles and trucks were almost exclusively from the United States. Imports of tires and tubes amounted in value to 429,892 gourdes, of which the sum of 280,333 gourdes is credited to the United States, 111,225 gourdes to France, and 27,473 gourdes to Canada. This is the first year in which tires and tubes are separately classified in the trade returns.

Cement.—A slight increase took place in the importation of cement, amounting during the year to 357,616 gourdes. Belgium and Germany were the principal suppliers.

Fish, Pickled or Smoked.—Total importations amounted to 1,026,423 gourdes, of which 784,428 gourdes are credited to the United States and the balance chiefly to Canada.

Fish, Salted or Dried.—Total importations were 540,081 gourdes, of which 337,365 is credited to the United States, 108,933 to Canada, and 75,647 to Norway. It is quite probable that a much larger share of both "pickled and smoked" and "salted or dried" fish originated in Canada than the figures indicate.

Flour, Wheat.—A decline is recorded in the value of imports of flour during the year amounting to 3,268,710 gourdes as against 3,698,565 gourdes during the previous year. The United States is credited with 2,890,900 gourdes and the remainder went to Canada. Here again it is probable that a larger share of flour originated in Canada than the figures indicate.

Potatoes and Other Tubers.—The total imports were 61,910 gourdes, of which 54,995 gourdes originated in the United States and 6,195 in Canada. Importations during the previous year were valued at 71,423 gourdes.

Refined Sugar.—Total imports were 30,152 gourdes as compared with 49,420 gourdes during the previous year. The United States was practically the only supplier.

Butter.—An increase is recorded in the importation of butter, which totalled 285,540 gourdes as compared with 242,951 during the previous year: United States, 102,449 gourdes; Denmark, 71,773; Canal Zone, 44,015; United Kingdom, 20,575; Australia, 20,061; Argentina, 15,049; and Canada, 7,565 gourdes.

Cheese.—Total imports were 103,946 gourdes as against 97,975 during the previous year. The United States was the principal supplier with 92,006 gourdes, followed by the United Kingdom, the Netherlands, Belgium, and France.

The only commodities in which Canada was able to participate to any important extent, as the above shows, were fish and flour. Small shipments were, however, made from Canada during the year of such items as belts and hosiery, 13,715 gourdes; knit goods of cotton, 1,342; pickled meats, 1,438; preparations of grains, fruits, and vegetables, 7,786; hats and caps, 305; machinery and apparatus, 2,625; kerosene, 2,021; paper and manufactures of, 4,430 gourdes.

MR. PALMER'S TOUR IN CANADA

Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City, whose territory comprises Mexico, Guatemala, Honduras, and Salvador, is making a tour of the principal centres of Canada in the interest of Canadian trade with these countries. Following is his itinerary as at present arranged:—

Montreal and Granby	June 1 to 5
Halifax	June 8 and 9
Saint John	June 10
Sherbrooke	June 12
Montreal	June 15 to 17
Toronto and Mimico	June 18 to 27
Guelph	June 29

Firms who wish to be brought in touch with Mr. Palmer should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

MR. BOWER'S FORTHCOMING VISIT TO CANADA

Mr. R. P. Bower, Acting Canadian Trade Commissioner at Batavia, Java, is expected to arrive in Vancouver about the middle of June for the purpose of making a tour through the Dominion in the interests of Canadian trade with Netherlands India. The Batavia office covers the whole of Netherlands India with the exception of Northern Sumatra, which is assigned to the office in Singapore. Canadian firms interested in the Netherlands Indian market, who desire to get in touch with Mr. Bower, are requested to communicate with the Department of Trade and Commerce, Ottawa.

CONDITIONS IN PORTUGUESE EAST AFRICA IN 1935

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, April 2, 1936.—Portuguese East Africa, which depends primarily on agriculture, continued to suffer depressed conditions throughout 1935 as a result of the low world prices obtainable for its chief products. Government expenditures have been cut considerably in an effort to retain a balanced budget, but the methods adopted—salary reductions, etc.—have increased the difficulties of the trading community, particularly as government employees form a considerable proportion of the small white population of the colony. In addition, restrictions on imports and exchange difficulties continued to hamper trade throughout the year. New forms of taxation have been introduced from time to time to bolster up the falling revenues, but the limit of the community's taxable capacity appears to have been reached. There has been a very definite fall in the standard of living.

During 1935 the colony's administration has been reorganized into three provinces and seven districts—a result of the revival of Portugal's interest in her colonies. Another evidence of this revival which affects Canadian trade is the policy of closer commercial relations between Portugal and the colonies. Portugal continues to increase her share of the colony's market for consumers' goods and is also taking a larger share of the colony's exports. Preferential duties and reduced export dues are the methods being adopted. They meet with a considerable amount of criticism as they involve a serious loss of customs revenue to the colony. At the same time, Portuguese manufacturers are believed to take advantage of the preference and raise their prices unduly.

The only bright spot in the situation during 1935 was that the increased activity in gold mining in the Transvaal provided work for increased numbers of natives from the colony. In April, 1935, there were 70,000 employed in the mines compared with 55,000 in April, 1933. In addition, the building boom on the Rand provided work for substantial numbers of Portuguese artisans.

TRADE AND ECONOMIC CONDITIONS IN CENTRAL CHINA

B. A. MACDONALD, ASSISTANT TRADE COMMISSIONER

(Values throughout this report are given in Chinese (the Yuan) dollars, the value of which at Shanghai is roughly Can.\$0.30)

Shanghai, April 23, 1936.—Business conditions in Central China are still unsettled and prospects for import trade remain as a whole obscure. The chief causes of this uncertainty would seem to be external, because internally conditions are, by contrast with this time last year, encouraging rather than discouraging.

Among the encouraging signs are the following. A healthy, but by no means alarming, rise has been apparent in the domestic price level. The fiscal measures

of the Central Government, especially the stabilization of foreign exchange, are proceeding successfully. The Shanghai money market is definitely easier. Exports show a decided improvement over the preceding year. And finally, reports from the interior suggest that some measure of recovery has been taking place there. Nevertheless, general confidence has not yet been restored, and it appears to be most lacking in those quarters upon which large-scale undertakings depend.

SMUGGLING

An important factor is the alarming increase in smuggling. In its authoritative review of the year, the Bank of China estimated that in 1935 goods to the value of \$200,000,000, or roughly 20 per cent of the country's total legitimate imports, were smuggled, and it has been suggested that the value of contraband products brought in so far this year may reach \$100,000,000.

Although smuggling is known to be rife in South China, it is in the north around Tientsin that it is most serious, and for this the equivocal political jurisdiction existing there must be held chiefly responsible because it renders impossible effective preventive control by the Chinese Maritime Customs.

Although sugar and artificial silk are the commodities chiefly affected, a wide range of other products is involved, extending even to gasoline and kerosene, flour, cheese, and liquors. The fact that such bulk commodities are evading duties speaks for itself. This office has been informed by the Shanghai agents of certain Canadian firms that they cannot obtain orders from local buyers because the latter are purchasing the Canadian goods at lower prices from interests in North China, where they have obviously been smuggled in from Dairen.

Quite apart from the adverse effect which this condition is having upon legitimate trade, it naturally causes, because of its influence upon customs revenue, some apprehension concerning the Central Government's financial position, and thus adds to the general uncertainty already mentioned.

FINANCE

As suggested already, the credit situation in Shanghai has improved considerably, and although it still leaves much to be desired, interest rates have eased and Chinese dealers in many trades whose activities have been paralysed for many months are showing interest once more in new business. These Chinese New Year settlement, which came this year at the end of January, and whose approach was awaited with some anxiety, passed with surprisingly little difficulty.

On February 1 the Nanking Government announced another outstanding financial step, namely the adoption of measures, in line with the practice followed in Western countries during recent years, to refund its internal debt. Briefly, these measures provide for the issuance of a "Twenty-fifth Year Consolidated Loan"¹ totalling \$1,460,000,000, which will transform (with three unimportant exceptions) the previous complex debt structure of more than thirty different kinds of bonds, treasury notes, certificates, etc., into one issue. The latter will be divided into five series. All will bear the same rate of interest, namely 6 per cent, but the periods of maturity for each of the five categories will differ as follows: A, 12 years; B, 15 years; C, 18 years; D, 21 years; and E, 24 years.

It is worth noting that 6 per cent is the rate which applied on practically all of the old loans, so that no reduction is involved. However, the Government expects to save about \$5,000,000 monthly through the maturity extensions effected, and the simplification in the debt structure will be a gain.

¹ Under the present regime in China proper each year is designated in relation to 1912, in which year the old Imperial Dynasty was overthrown and the Republic of China established.

At the time of writing it is expected that the Shanghai Municipal Council of the International Settlement will offer within two or three weeks a new \$5,000,000 debenture issue in denominations of \$100, \$500, and \$1,000, to be issued at par and to pay 5½ per cent.

The commission sent out by H.M. Government in the United Kingdom, consisting of Sir Frederick Leith-Ross, Chief Economic Advisor to the British Government; Mr. Hall-Patch, of the British Treasury; and Mr. Cyril Rogers, of the Bank of England, which arrived in Shanghai early last autumn, is continuing its study of general financial and economic conditions in China.

FOREIGN TRADE

Foreign trade returns for the whole of China are available so far only for the first two months of this year. They show that up to the end of February imports, exports, and total trade were as follows, the figures in parentheses referring to the same period in 1935: imports, \$124 million (\$156 million); exports, \$117 million (\$96 million); total trade, \$241 million (\$253 million). It will be noted that exports have increased considerably and that imports, *statistically*, have decreased. However, from what has been said earlier with reference to smuggling, it will be appreciated that the import figures bear no exact relation to the actual volume of import trade.

The most notable feature of the trade returns for the whole country is the remarkable rise in imports from Germany, which has improved her sales to China, both absolutely and relatively, in a remarkable way. This statistical trend merely confirms a condition of which the trading community has been much aware for some months. Lower prices, partly at least the result of exchange manipulation, and long credit terms, extending in some cases up to five years, appear to explain the advance made by Germany.

FOREIGN TRADE OF SHANGHAI

Foreign trade returns for Shanghai, which handles roughly 50 per cent of the country's total overseas trade, are available for the full quarter, and are as follows, the corresponding returns for 1935 being given for comparison:—

	January-March	
	1935	1936
Thousands of Chinese Dollars		
Imports	150,145	124,766
Exports	64,361	87,423
Total	214,506	212,189

Although at Shanghai, where the customs preventive control is very effective, smuggling is relatively negligible, nevertheless many commodities and in large amounts which normally would be brought in at this port and be revealed in the customs import returns, are now arriving by illegitimate channels from the north. Accordingly, the import figures probably do not represent the full value of foreign commodities actually arrived in this area.

NOTES ON IMPORT COMMODITIES

(One kilogram equals 2·2 pounds; one quintal equals 220 pounds; nine quintals equal one short ton)

The following are brief notes on a few import trades which have a special interest for Canada:—

Aluminium.—Imports totalled 198,000 kilograms (\$284,000) as against 503,000 kilograms (\$721,000) in the first quarter of 1935. There have been no imports from Canada so far this year, although the Dominion had supplied 134,000 kilograms by this time last year. The great bulk of this trade seems to have passed to Germany.

Lead.—Total imports have been 4,100 quintals (\$117,000) as against 10,900 quintals during the first quarter of 1935. Canada was the chief supplier this year, accounting for 3,500 quintals. (Comparable figures for 1935 are not available.)

Zinc.—Zinc is one of the few commodities in which imports have increased. Arrivals at Shanghai amounted to 12,700 quintals (\$429,000) as against 8,800 quintals in the first quarter of 1935. Belgium and Canada are the chief suppliers; imports from the Dominion amounted to 3,500 quintals in the first three months of 1936.

Salted Herring.—Imports come almost entirely from Canada. During the first quarter of 1936 they totalled 20,500 quintals (\$216,000) as against 50,200 quintals for the same period last year.

Cream and Milk, Evaporated.—Total imports were 358,000 kilograms (\$168,700) as against 400,000 kilograms in the first quarter of 1935. Of the imports this year Canada supplied 13,200 kilograms, the comparable figures for last year not being available.

Wheat.—Imports show a great decline—132,000 quintals (\$1,295,000) as against 1,662,000 quintals (\$11,291,000) for the same period of 1935. To date this year Australia has been the sole supplier.

The above figures refer to actual arrivals at Shanghai. Reports from the trade indicate that from the first of the year up until the time of writing orders have been placed for 100,000 tons or roughly 900,000 quintals, all in Australia, with the exception of 3,500 tons of Canadian No. 5 wheat. It is understood that the local mills intend to use from 5 to 10 per cent of this low-grade Canadian wheat to mix with Australian and/or domestic wheat.

Flour.—Total imports into Shanghai amounted to 12,100 quintals (\$213,000) as against 20,500 quintals (\$292,100) for the same period of 1935, a decline of roughly 40 per cent in volume. Imports from chief supplying countries so far this year have been as follows, in quintals, the figures in parentheses referring to the same period of 1935: Australia, 1,868 (2,334); Canada, 7,293 (4,152); United States, 2,905 (13,752). It will be noted that whereas total imports have declined greatly, imports from Canada have increased nearly 80 per cent. These imports of course consist almost entirely of patents and clears, Shanghai never having been a market of any importance for export straights.

Sulphate of Ammonia.—This fertilizer (see "Central China Market for Fertilizers," *Commercial Intelligence Journal* No. 1669 of January 25, 1936) was one of the few commodities imported in greater quantities than in the same period of 1935. Imports from Canada, however, show a large decrease, due apparently to German competition. The figures are as follows, in quintals: total, 23,700 (15,000); Canada, 3,000 (5,000); Germany, 15,000 (2); United States, 5,000 (10,000).

Newsprint.—Newsprint arrivals at Shanghai have been as follows, in quintals, during the first quarter of 1936, the corresponding figures for 1935 being shown in parentheses: total, 176,600 (230,400); Canada, 79,500 (103,400); Germany, 76,500 (13,900); Japan, 3,500 (1,700); Norway, 7,200 (18,100); Sweden, 4,000 (38,000); United States, 206 (32,500). The increase in imports from Germany is noteworthy, as are the decreases in the case of Norway, Sweden, and the United States. Although Canada's shipments declined they maintained their relative position, i.e., 45 per cent of all imports.

Wood-pulp.—Arrivals of wood-pulp have been well maintained, the figures being 23,800 quintals as against 24,300 quintals in the first quarter of 1935. By countries the imports this year were as follows, in quintals: Canada, 9,400; United States, 7,300; Sweden, 6,100; Finland, 970. Returns by countries are not available for 1935. Some of the paper factories in the Shanghai area experienced serious difficulties last year, and one of them at least is being operated by the local agent of a large British Columbia pulp company.

Timber.—Imports of timber so far this year show a striking decline as against the first quarter of 1935. The imports (in cubic metres) of the chief items were as follows for January to March inclusive, the figures in parentheses referring to the same period last year: hardwood logs, 12,300 (17,800); softwood logs, 16,600 (50,400); sawn hardwood, 2,400 (10,000); sawn softwood, 33,600 (137,900); manufactured softwood, 6,000 (20,700). These decreased arrivals reflect, of course, the reduced buying orders in the latter part of 1935. At time of writing importers report that stocks in Shanghai are comparatively low and that dealers are showing increasing interest in new commitments. However, no full recovery can be expected in the lumber market until building picks up again, and here the uncertainty described earlier in this report has a directly adverse influence. During the quarter representatives of three important Pacific Coast lumber export houses visited Shanghai to make a personal investigation of conditions in the China timber trade.

Railway Construction and Sleepers.—Imports of railway sleepers totalled 18,000 pieces as against 268,000 pieces in the first quarter of 1935. Large quantities are required both for new lines and for replacements, but lack of capital is militating against their purchase, and in this connection the Government has been endeavouring to arrange for purchase on credit.

The shipment of sixty-five prefabricated creosoted Douglas fir railway bridges, the order for which was placed last year with the British Columbia creosoting industry, was

completed during the quarter, and they have now been installed on the new Soochow-Kashing Railway in Kiangsu Province not far from Shanghai.

Nickel.—As reported in *Commercial Intelligence Journal* No. 1676 (March 14, 1936), subsidiary coinage of nickel, and of copper, was introduced by the Government on February 10, 1936. The nickel coins (which are of pure nickel) are in the denominations of 20, 10, and 5 cents. It is reported that up to the end of March deliveries from the Government Mint at Shanghai to the Central Bank of China, which is issuing them, were as follows: 20-cent coins, 4,980,000 pieces, value \$996,000; 10-cent coins, 4,980,000 pieces, value \$498,000; and 5-cent coins, 4,960,000, value \$248,000, or a total value of \$1,244,000, or in terms of Canadian dollars roughly \$373,000.

These new coins are apparently proving to be a great success, and it is said that in order to cope with the demand the Mint is now working a night shift. Although the blanks are being manufactured by a large American company, the raw nickel is reported as being supplied from Canada. China has therefore apparently become an important new market for this Canadian product.

GREATER INTEREST IN CHINA

So far this year an increase has been apparent in the interest taken in China by the people of other countries. The interest which has been developing rapidly during the past few years, is not confined to business circles. Apart from visits made by writers and journalists, people connected with the cinema industry and publicists of various types, it has brought about a large growth in general tourist traffic, and the majority of shipping agents report unusually heavy bookings.

To promote closer economic co-operation with foreign countries, the Chinese Government has announced its intention to send Commercial Attachés to be attached to its Legations and Embassies abroad. The United States, Great Britain, France, Japan, and Canada have maintained trade promotion officials in China for a number of years. The British Government enlarged the staff of its Commercial Counsellors in Shanghai during 1935. Australia, New Zealand, and South Africa have recently appointed Trade Commissioners to China, and a German Commercial Counsellor has just been attached to the German Embassy with offices in Shanghai.

WHEAT AND FLOUR SITUATION IN JAPAN

J. A. LANGLEY, COMMERCIAL SECRETARY

(One yen equals approximately 29 cents for 1935 and 1936)

Tokyo, May 1, 1936.—While the official grain forecast is not as yet available, indications are that the yield of wheat in Japan during the year 1936 will show a decline when compared with last year's crop, which amounted to 47,915,515 bushels. This lower production is attributed to the severe weather which has prevailed in the northern section of the country where the largest acreage is planted to this grain.

Although a short crop is anticipated, this is not reflected in the imports of wheat during the first three months of this year, as the returns show a decline of 6.1 per cent in volume when compared with the corresponding period of 1935. Australian shipments show a decrease of 8.2 per cent in tonnage but an increase of 7.9 per cent in value. Imports from Canada increased by 9.5 per cent in quantity and 12.2 per cent in value. This would seem to indicate that the margin of difference in price between Australian and Canadian wheat is becoming smaller, and that Japanese importers are again turning to Canada as a source of supply for their foreign requirements. This price adjustment, coupled with the possibility of the application of the Trade Adjustment Act in connection with the present Japan-Australian trade controversy, will in all probability have the effect of increasing shipments from Canada.

No wheat arrived from Argentina during the first three months of the year, although during the same period of 1935 something over 170,000 bushels came forward. In a recently published report on wholesale commodity prices in Japan, the Bank of Japan indices numbers for wheat during January, February, and March of 1935 are given as 183, 201, and 206, and for the same months of 1936 as 248, 240, and 235. According to other sources of information, wheat quotations for these periods are stated as follows (quotations for other than Japanese wheat are all c.i.f.):—

Wheat Quotations in Japan, January to March

	1935		1936	
	High Yen	Low per 100 kin=132 pounds	High Yen	Low pounds
Japanese Improved No. 3—				
January	6.45	6.00	8.50	3.20
February	6.90	6.50	8.40	8.40
March	6.80	6.80	8.40	3.10
American Western White Walla No. 2—				
January	7.42	7.13	7.79	7.40
February	7.31	7.11	7.43	7.43
March	7.30	6.90	7.52	7.43
Canadian Northern No. 3—				
January	6.50	6.19	7.37	7.06
February	6.52	6.42	7.45	6.81
March	6.69	6.43	7.30	6.61
Australian—				
January	5.38	4.90	6.90	6.58
February	5.93	5.35	6.65	6.41
March	6.09	5.62	6.82	6.51

IMPORTS

Imports of wheat into Japan for the January-to-March periods of 1935 and 1936 were as follows:—

	January to March		January to March	
	1935 Bushels	1936 Bushels	1935 Yen	1936 Yen
Australia	3,780,962	3,470,610	8,872,656	9,571,832
Canada	740,938	811,169	2,378,162	2,668,169
United States	10,089	5,595	26,731	19,959
China . . . . .	.....	433	.....	899
Argentina	177,648	.....	420,078	.....
Other	1,219	136,534	3,051	464,616
Total	4,710,856	4,424,341	11,700,678	12,725,475

FLOUR

The Japanese trade returns give the quantity of wheat flour imported during the period under review as 175,368 sacks compared with 5,513 sacks during the January-to-March period of 1935. These figures are obviously not correct, due to the fact that in July, 1935, a new method of compiling these returns was introduced whereby articles in bond were included as being imported, which was not the case previously.

EXPORTS

Exports of Japanese flour have declined owing to the fact that such Manchurian grains as millet or kao-liang are selling at low prices, thereby curtailing the consumption of wheat flour products. Japanese flour millers are passing through a difficult period and are now concentrating their efforts on increasing the domestic consumption of their product. There is some talk of reviving the flour cartel and limiting production, thereby stabilizing prices and removing the present price cutting.

Exports of flour during the first quarter of the present year when compared with the same period of 1935 declined by 53.4 per cent in volume and 43.1 per

cent in value. Shipments to Kwantung Province and Manchukuo were responsible almost entirely for the decrease, showing a falling off of 61·6 per cent and 63·6 per cent in volume respectively. Consumption of Japanese flour in the Philippine Islands increased by 111·7 per cent in volume, that in China by 782 per cent, and in the Dutch East Indies by 122·3 per cent.

The following table shows the quantity and value of Japanese flour shipped during the first three months of 1935 and 1936:—

Exports of Wheat Flour, January to March

	1935 Sacks of 49 Lbs.	1936 Sacks of 49 Lbs.	1935 Yen	1936 Yen
Kwantung province.. . . .	2,221,241	852,525	5,539,666	2,575,175
Manchukuo	1,103,998	402,017	2,681,215	1,159,232
Philippine Islands	64,290	136,134	166,223	377,228
China	5,773	50,917	18,497	138,600
Straits Settlements . . . . .	.....	8,167	.....	21,619
Dutch East Indies	2,686	5,970	6,020	16,165
Other	5,251	131,614	13,664	394,956
Total	3,403,239	1,587,344	8,225,285	4,682,975

INDUSTRIAL PROFITS IN JAPAN

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Tokyo, May 1, 1936.—Profits for 1,250 joint-stock companies in Japan proper averaged 11·3 per cent for the latter half of 1935, according to a survey just completed by the Mitsui Gomei Kaisha. The rate of profit showed a gain of 11·1 per cent over the first half of 1935 and of 10·8 per cent over the last half of 1934. Of the 1,250 companies, 1,189 made profits of 497,900,000 yen; 61 companies lost 2,500,000 yen. Net profits of 495,400,000 yen showed a gain of 40,600,000 yen or 8·9 per cent over the same period of 1934 and of 3·9 per cent over the January-to-June period of 1935.

The number of firms showing losses fell by eleven as compared with the same months of 1934, and by two as compared with the first six months of 1935.

Losses were less by 850,000 yen and 600,000 yen respectively during the two periods just mentioned. The amount added to profit-and-loss surplus was 141,000,000 yen for the period under review as compared with 138,000,000 yen and 132,000,000 yen; the rate of surplus to paid capitalization was 3·2 per cent as against 3·3 per cent and 3·1 per cent. Only 193 companies passed dividends—20 less than in the last six months of 1934 and 7 less than in the first six months of 1935. Details are as follows:—

	1934 2nd Half	1935 1st Half	1935 2nd Half
	Figures in 1,000,000 Yen		
Paid capital	8,439	8,601	8,724
Gross capital	10,932	11,253	11,518
Profits	458	479	497
Losses	3·3%	3·1%	2·5%
Net profits	454	476	495
Profit rates	10·8%	11·1%	11·3%
Undivided profit	138	132	141
Undivided profit rate	3·3%	3·1%	3·2%

IMPROVEMENT IN GENERAL SITUATION

The general industrial situation continued to improve in the latter half of 1935, although there were handicaps, including surpluses in several lines, higher prices for raw materials, and lower prices in the market. The tendency as a whole was for lower profits, but rationalization sent actual figures slightly upward.

In the textile industry, spinning and weaving of cotton and rayon showed lower profits, but woollen textiles continued their advance. Export activity and the demand for munitions continued to help hemp and linen.

Foodstuffs remained prosperous; both domestic and export demand aided sugar refining and flour milling. Brewing surpassed all records. Fertilizer companies helped the chemical industry but drugs did not do so well as in the earlier periods under review. Paper and cement showed large profits, but ceramics generally were adversely affected by the poor results of the glass companies.

Leather and hides did not do so well. Heavy industries remained prosperous, aided by large military budgets and the activity of shipping. Profits of the steel and iron companies decreased because of over-production, but business as a whole continued strong. Copper reported heavy orders both at home and abroad and did well. Machines and tools continued to advance.

Mining made further advances due to active demand for coal and metal. Commercial enterprises as a whole were in good condition. Commitments on the stock markets and commodity exchanges were heavier and the income from commissions rose. Public utilities did well. Provincial railways, however, remained depressed. Electric light and power companies continued to recover from the depression of some years ago. Shipping was hampered by increased competition, and warehousing was affected by the decrease in the volume of cotton kept in storage. Rubber moved downward. In the miscellaneous list, newspapers and development companies showed better results, and trust companies made larger profits.

In addition to the 1,250 companies mentioned above, there were 100 joint-stock companies which settle their accounts annually. These have a total paid capitalization of 138,000,000 yen. Profits in 1935 were 27,400,000 yen, a gain of 1,000,000 yen over 1934, mainly due to the better results of the insurance companies. The survey also covered sixty banks and companies in Korea, Formosa, Saghalien, and the Kwantung Leased Territory, with total paid capitalizations of 443,000,000 yen. Profits for the period totalled 22,200,000 yen or 10 per cent of paid capitalization.

PROFITS FOR THE TWO PERIODS OF 1935 COMPARED

Profits realized by various lines of business and profit rates for the second half of 1932, compared with its first half, were as follows:—

	1st Half of 1935		2nd Half of 1935	
	1,000 Yen	Per Cent	1,000 Yen	Per Cent
Banking	80,863	12.1	80,052	12.0
Trust	5,033	13.1	5,087	13.1
Spinning and weaving	35,952	16.8	33,572	15.5
Woollen textiles	4,267	7.5	6,377	11.2
Hemp manufacturing	807	9.6	883	10.2
Rayon manufacturing	11,461	17.6	10,695	15.9
Beer brewing	6,490	18.3	6,301	17.8
Sugar refining	4,120	13.7	4,684	15.6
Flour milling	1,737	15.1	2,107	18.4
Leather	596	16.3	601	16.5
Paper milling	12,817	14.8	13,619	15.7
Ceramics	4,565	20.3	4,492	20.0
Chemical	21,147	13.7	22,698	13.9
Iron and steel	46,123	19.6	38,645	16.2
Copper	4,271	19.5	5,049	22.9
Cement	8,323	10.4	8,648	10.7
Shipbuilding and car building	8,360	8.2	9,913	9.7
Machine and tools	22,287	19.5	24,067	20.3
Mining	30,280	13.5	32,930	14.4
Commerce	19,247	13.9	21,254	14.6
Department stores	1,717	8.4	2,668	13.1
Bourse	4,620	8.5	5,516	10.2
Real estate	2,708	3.7	2,864	3.9
Electric light and power	72,319	7.2	82,595	8.3

	1st Half of 1935		2nd Half of 1935	
	1,000 Yen	Per Cent	1,000 Yen	Per Cent
Gas..	11,809	10.0	11,441	9.7
Railway and trolley	17,977	4.7	20,236	5.3
Shipping..	8,428	8.5	8,534	8.6
Warehousing	1,443	4.3	1,196	3.3
Rubber plantation	1,080	9.2	855	6.9
Miscellaneous	25,897	12.2	27,874	12.1
Total..	476,755	11.1	495,468	11.3

The average rate of dividend and of undivided profits for the period under review compared with the period before follows:—

	First Half		Second Half	
	Average Rates of Divided Profit Per Cent	Average Rates of Undivided Profit Per Cent	Average Rates of Divided Profit Per Cent	Average Rates of Undivided Profit Per Cent
Banking..	8.7	3.3	7.5	4.5
Trust	5.1	8.0	5.1	8.0
Spinning and weaving.. . . .	12.6	4.2	12.3	3.2
Woollen textiles..	8.1	...	8.7	2.5
Hemp manufacturing	7.0	2.5	7.6	2.6
Rayon manufacturing	14.4	3.2	14.3	1.6
Beer brewing	12.3	6.0	12.3	5.5
Sugar refining	10.2	3.5	10.3	5.3
Flour milling	11.3	3.8	12.0	6.3
Leather	10.3	6.0	10.3	6.1
Paper milling	10.0	4.8	9.9	5.7
Cement..	7.8	2.5	7.9	2.8
Ceramics	14.2	6.1	15.5	4.5
Chemical	9.5	4.2	9.6	4.2
Iron and steel	7.6	12.0	7.5	8.6
Copper and industry	9.7	9.8	10.8	12.1
Shipbuilding and car building .. .	5.6	2.6	6.7	3.0
Machine and tool	12.5	7.1	13.1	3.0
Mining	10.0	3.4	10.3	4.0
Commerce..	10.0	3.9	9.7	4.8
Department stores	10.8	...	10.9	2.1
Bourse	7.7	0.8	8.8	1.4
Real estate	3.0	0.6	3.0	0.9
Electric power and light	6.3	0.9	7.2	1.0
Gas..	9.0	1.0	9.0	0.7
Trolley	4.6	0.4	4.9	0.9
Shipping	4.4	4.1	5.7	2.9
Warehousing	2.4	1.9	2.3	1.0
Rubber plantation..	7.7	1.5	6.6	0.3
Miscellaneous..	8.9	3.3	8.2	3.9
Average..	8.0	3.1	8.1	3.2

KNITTED GOODS INDUSTRY AND TRADE OF JAPAN

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(For the purpose of comparison the average rate of the yen in 1934 was 30 cents, and in 1935 approximately 29½ cents, Canadian funds)

Kobe, April 24, 1936.—The knitted goods industry in Japan has made great strides in recent years, both in value of output and in expanding export markets. The industry for the greater part is confined to small factories. According to statistics compiled by the Ministry of Commerce and Industry, there were 5,853 factories in 1934 employing 17,902 male and 23,756 female workers, a total of 41,658. This gives an average of less than eight workers for each establishment.

A great number of those smaller enterprises are under the control of wholesale merchants or exporters. The chief articles produced are hosiery, undershirts and drawers, and gloves. The materials used are principally yarns of cotton, wool, wool and cotton mixtures, and silk. Knitted goods made of cotton yarn are estimated to represent over 60 per cent of the total output.

PRODUCTION OF KNITTED GOODS

Production figures of knitted goods for the last two years for which statistics are available are given below:—

	1933 Yen	1934 Yen
Undershirts and drawers of cotton	27,200,000	31,075,000
Undershirts and drawers of wool—wool and cotton mixture	11,010,000	13,834,000
Hosiery of cotton	12,622,000	13,424,000
Hosiery of wool—wool and cotton mixture	4,058,000	4,721,000
Gloves of cotton	3,670,000	3,625,000
Gloves of wool—wool and cotton mixture	1,686,000	1,970,000
Other knitted goods	13,230,000	16,948,000
Total	73,476,000	85,633,000

Over 50 per cent of the knitted goods produced are undershirts and drawers, with socks and stockings next in importance. Total production of knitted goods of all kinds in 1934, as noted in the table, increased by 12,157,000 yen. Production decreased from a former high in 1929 of 65,979,000 yen to 54,305,000 yen in 1931. Lost ground was regained by 1933, and the industry anticipates continued expansion.

EXPORTS OF KNITTED GOODS

The exportation of knitted goods has followed closely the changes in production. The 1929 total of 36,711,000 yen declined to 21,176,000 yen in 1931. The year 1932 reached a total of 26,835,000 yen, and the 1929 figures were surpassed in 1933 with a total exportation valued at 42,047,000 yen.

Figures of exports for the last two years are given below according to the value of the principal items:—

	1934	1935
Undershirts and drawers	31,844,000	32,980,000
Gloves	1,337,000	4,265,000
Socks and stockings	12,328,000	11,351,000
Short drawers	2,109,000	1,670,000
Total knitted goods	47,618,000	50,266,000

Exports in 1935 increased over the previous year. Gloves showed the largest individual gain; socks and stockings and short drawers were exported in lesser values.

DESTINATIONS OF EXPORTS

The following table gives the destination of these knitted goods for the years 1935 and 1934, according to value:—

	1935 Yen	1934 Yen
Manchukuo	1,033,574	899,271
Kwantung Province	1,300,208	1,014,338
China	154,673	165,799
Hongkong	633,737	467,639
British India	7,509,677	8,349,831
Straits Settlements	1,441,391	1,320,814
Dutch East Indies	4,118,158	4,338,926
Philippine Islands	4,733,725	3,431,829
Great Britain	7,344,886	7,672,383
France	71,138	44,561
United States	3,871,016	1,514,121
Egypt	1,698,092	3,029,540
Union of South Africa	1,700,667	1,884,181
Kenya, Uganda and Tanganyika	1,010,847	585,422
Mozambique	1,122,848	756,278
Australia	36,429	20,301
Other	12,485,263	12,122,458

British India is the largest individual purchaser, followed closely by Great Britain. The heading "other" covers a great number of countries and markets. Canada's purchases are not shown in the above table; but for 1934 they comprised the following: undershirts and drawers, 1,065 yen; gloves, 16,169 yen; and socks and stockings, 2,184 yen.

TARIFF CHANGES AND CUSTOMS REGULATIONS

New Australian Tariff and Trade Regulations

Tariff amendments were introduced in the Australian Parliament on May 23 and became effective immediately.

On motor vehicle chassis the former ad valorem basis of duty gave place to a system of duties according to the weight and type of the chassis, and the primage duty of 10 per cent ad valorem formerly applicable was removed, but a new tax, based on weights, was introduced. Unassembled car chassis or chassis of type capable of use with commercial vehicles are now free of duty under the British preferential tariff, $2\frac{1}{2}$ d. per pound if from Canada, 5d. per pound under the intermediate tariff, and $5\frac{1}{2}$ d. per pound under the general tariff. Unassembled chassis of truck, omnibus, or other commercial types are free of duty under the British preferential tariff, $2\frac{1}{4}$ d. per pound if from Canada, $4\frac{1}{4}$ d. per pound under the intermediate tariff, and $4\frac{3}{4}$ d. per pound under the general tariff. On assembled chassis rates are $1\frac{1}{4}$ d., 4d., $6\frac{1}{2}$ d., and 7d. per pound respectively. The new tax of $\frac{1}{10}$ d. per pound applies to all chassis. Primage duties were also removed from motor vehicle bodies and body parts but the regular customs duties on such goods were not changed.

On Oregon logs and Oregon spars new rates per 100 superficial feet Brereton measurement are 4s. 6d. under the British preferential and intermediate tariffs (the same rate applies to Canada), and 5s. 3d. under the general tariff. Logs and spars were formerly subject to ad valorem rates.

Duties are increased on unmanufactured tobacco (except for the manufacture of cigars), and on cigarettes and manufactured tobacco (except cigars and snuff). Rates on cotton and artificial silk piece-goods and on mineral lubricating oils are also amended.

The principle of regulating imports by licence was reintroduced as regards specified goods from all countries outside the British Empire and as regards one article from Canada, namely, motor vehicle chassis. Imports of motor vehicle chassis from non-British countries and from Canada are restricted to 100 per cent of the number imported during the year ended April 30, 1936. Typewriters from non-British countries are limited to 75 per cent of imports during the same period. Importation from non-British Empire countries of other articles placed under restriction will not be allowed except with the consent of the Minister for Customs. The list includes:—

Motor vehicle bodies; motor car springs; sparking plugs; wireless receivers and wireless parts (except parts admitted under by-laws); electric refrigerators, household and other types, including parts, except parts for replacement purposes; preserved vegetables, including asparagus tips; costumes, dresses, robes, corsets, and boxed robes; boots, shoes, and slippers; lawn mowers, electric or petrol-driven; lawn mowers, other, and parts; mangles, clothes wringers, and clothes washing machines for household use; hinges of all kinds; lamp glasses, lamps (except lamps for motor vehicles), lampware, and lanterns; iron pipes 3 inches or under in diameter, copper pipes and tubes; piston pins, piston rings, valves for internal combustion engines; wall and ceiling parts; cinematograph projection apparatus; toilet preparations; electroliers, gasoliers, wall and table lamps; pasteurizers, jacketed vats or jacketed tanks, etc.; storage batteries for motor vehicles; motor cycles and frames therefor, motor cycle parts, side car parts; brake and transmission lining; shock absorbers; wireless valves; steel plates and sheets, plain steel plates, and sheets tinned; polished and patent plate glass; motor vehicle parts covered by tariff items 359 (F) and (G); typewriters; artificial silk yarns; mercerized cotton yarns; staves, dressed and undressed; silk piece-goods and artificial silk piece-goods; cotton piece-goods covered by tariff item 105 (A) (1); linoleums; electric light and power cables; roller bearings and ball bearings; apparel elastic; paperboard specially prepared for coating with photographic emulsions; surface coated, marbled, and foil paper; camera lenses and accessories; guns and rifles, rifle and revolver cartridges, shotgun cartridges; household vacuum cleaners, celluloid sheets; sulphate of alumina; men's fur hats; plaster of Paris; gypsum; electrical insulating paper and board; spectacles and frames; iron and steel wire of 15 or finer gauge; air and gas compressors; air and gas exhausters; crane hoists and other lifting machinery; carbon

manufactures, including carbon blocks; motors under 1 horse-power when not integral part of machines; electric fans; electric fittings partly or wholly of metal, viz: switches, fuses, cutouts, choke coils, and relays; lightning arrestors; electric cooking and heating appliances, ranges, stoves, radiators, toasters, etc.; oil baize or similar fabrics prepared with rubber, oil, cellulose, or nitrocellulose; files and rasps; writing and typewriting paper, plain; playing cards; brooms, whisks, mops, and carpet sweepers; saws; gears for motor vehicles, including crown wheels and pinions, etc.; advertising posters, except those classifiable under tariff items 338 (C) and (E); locomotive engines and parts; diesel and heavy oil engines; kerosene, petrol, and other light spirit engines, except aeroplane and motor car engines; machinery, viz: metal-working, paper-working, paper-making and box-making, rubber-working, wood-working, printing machines and presses, stitching machines, sewing machines, buttonhole-punching and sewing machines, darning machines, garment-drafting machines, knitting machines, straw envelope-making machines, laundry machines, stone-crushing machinery, sugar machinery, tanning machinery, weighing machinery.

Goods in direct transit to Australia on May 23, 1936, except motor vehicle chassis, are exempted from the prohibition and licensing regulations.

Marking of Electrical Apparatus for New Zealand

Mr. H. L. E. Priestman, Assistant Trade Commissioner in Auckland, writes that New Zealand regulations requiring the marking of electrical accessories, appliances, lamps, and switches will become effective on October 4, 1936, under provisions of the revised Electrical Supply and Wiring Regulations, 1935, which became operative in other respects on October 4, 1935. Enforcement of the marking requirements was deferred for twelve months from the inauguration of the general regulations to give time for the marking of new equipment.

Among the comprehensive provisions are regulations providing for the permanent marking of the maker's name or registered trade-mark, or registered trade name, on all appliances, lamps, adaptors, cut-outs, ceiling roses, circuit breakers, flexible cord connectors, lamp holders, plugs and sockets, and switches, also the maximum operating voltage and amperage on cut-outs, circuit breakers, flexible cord connectors, plugs and sockets, and switches other than those on lamp holders, switches not exceeding 1.25 amperes rating if incorporated in an appliance or fitting, and pendant switches, save that in the case of pendant switches the maximum operating voltage shall be marked thereon; also the operating voltage and either amperage or wattage on all appliances. Rubber insulated cables and flexible cords are also subject to marking regulations.

Parts of the regulations deal with heating and cooking appliances, with radio apparatus, and with washing machines, and should be perused by Canadian manufacturers of these goods before making shipments to New Zealand. The sale or use of any apparatus, material, or device not in the character specified by the regulations is an offence.

A copy of the new regulations may be consulted at the Department of Trade and Commerce, Ottawa.

Belgian Import Licence Tax

Mr. Maurice Bélanger, Assistant Trade Commissioner at Brussels, reports that a Belgian royal decree published in the *Moniteur Belge* of May 7, effective to June 30, 1937, imposes taxes for the licences necessary to import milk products as follows: milk, 30 centimes per litre; liquid buttermilk, 5 centimes per litre; fresh cream, 4 francs per kilogram; powdered milk or cream, sweetened or not, including powdered skimmed milk and buttermilk, 2 francs per kilogram; condensed milk or cream, sweetened or not, 80 centimes per kilogram.

(Belgian franc (100 centimes) equals 3.39 Canadian cents. One kilogram equals 2.2046 pounds. One litre equals 1.759 pints.)

Proposed Increase in French Tariff on Pulpwood

Mr. Hereule Barré, Commercial Attaché in Paris, writes that a decree published in the French *Journal Officiel* of May 7, 1936, provides for increasing the duty on wood-pulp from 0.03 franc to 2 francs per 100 kilograms gross under the minimum tariff, which applies to imports from Canada. The corresponding increase in the general tariff is from 0.05 franc to 8 francs per 100 kilograms. A proviso in the decree states that the new rates are not to come into force until a notice to that effect is published.

Dominican Republic Reduces Sales and Consumption Tax on Preserved Fish

Mr. E. L. McColl, Canadian Trade Commissioner at Havana, Cuba, writes under date May 19, 1936, that the Dominican Government has reduced the sales and consumption tax on fish in brine from 12 cents per gross kilogram to 4 cents per gross kilogram. The law also provides that the tax of 5 cents on dry salted fish including cod, and smoked fish including herring or bloaters, shall be based on net weight instead of gross weight. In the case of dried codfish this has the effect of reducing the tax about 27 cents on a barrel of 128 pounds net, and in the case of an 18-pound box of bloaters by 10 cents. The total duties and sales and consumption tax at present on the three main classifications of imports are as follows:—

	Customs Duty	Consumption and Sales Tax	Total
Herring, mackerel and other fish in brine per 100 kg. gross	\$2.00	\$4.00	\$6.00
Dry salted fish, including cod . . . per 100 kg. net	2.25	5.00	7.25
Smoked fish, including herrings or bloaters per 100 kg. net	2.25	5.00	7.25

In addition to the above, the following surtaxes apply to imports: 4.4 per cent of the value of shipments up to \$500; 3.85 per cent of the value of shipments over \$500 and up to \$1,000; 3.3 per cent of the value of shipments over \$1,000 and up to \$1,500; and 2.2 per cent of the value of shipments over \$1,500. Consular fees are 2 per cent ad valorem, plus approximately 1 per cent to cover ship's manifest and translations.

According to figures published by the Dominion Bureau of Statistics, Ottawa, total exports of salted, dried, smoked, or pickled fish from Canada to the Dominican Republic for the twelve months ending March 31, 1934 and 1935, amounted to 33,524 cwt. valued at \$119,794 and 48,549 cwt. valued at \$181,007 respectively. On March 13, 1935, the sales and consumption tax was increased by the Dominican Republic to 12 cents per kilogram, gross weight, for fish imported in brine and to 15 cents per kilogram, gross weight, for dry salted including cod, and smoked fish including herring bloaters. A precipitous fall in Canadian exports to the republic followed. On November 12, 1935, the sales and consumption tax on cod and other dry salted fish, and herring and other smoked fish, was reduced to 5 cents per gross kilogram.

Export Prohibitions in Chile

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, writes under date May 19, 1936, that the Government of Chile has issued a decree prohibiting the export of wheat, flour, potatoes, and several classes of beans from Chile, with the object of reducing the cost of living in that country.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 26

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending May 26, 1936, with the official bank rate. Quotations for the week ending May 18, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 18	Nominal Quotations in Montreal Week ending May 26	Official Bank Rate
Austria	Schilling	.1407	\$.1879	\$.1876	3½
Belgium	Belga	.1001	.1696	.1693	2
Bulgaria	Lev	.0072	.0129	.0129	6
Czechoslovakia	Krone	.0296	.0416	.0415	3
Denmark	Krone	.2680	.2225	.2227	3½
Finland	Markka	.0252	.0220	.0219	4
France	Franc	.0392	.0661	.0660	6
Germany	Reichsmark	.2382	.4038	.4033	4
Great Britain	Pound	4.8666	4.9850	4.9900	2
Greece	Drachma	.0130	.0093	.0093	7
Holland	Guilder	.4020	.6778	.6770	2½
Hungary	Pengo	.1749	.2921	.2944	4
Italy	Lira	.0526	.0786	.0787	4½
Jugo-Slavia	Dinar	.0176	.0230	.0229	5
Norway	Krone	.2680	.2504	.2507	3½
Portugal	Escudo	.0442	.0452	.0451	5
Roumania	Leu	.0060	.0073	.0073	4½
Spain	Peseta	.1930	.1369	.1367	5
Sweden	Krona	.2680	.2569	.2572	2½
Switzerland	Franc	.1930	.3244	.3237	2½
United States	Dollar	1.0000	1.0031	1.0018	1½
Poland	Zloty	.1122	.1890	.1877	5
Argentina	Peso (Paper)	.4245	.3320	.3325	—
Brazil	Milreis (Paper)	.1196	.0862	.0860	—
Chile	Peso	.1217	.0508	.0507	4½
Colombia	Peso	.9733	.5741	.5701	4
Mexico	Peso	.4985	.2785	.2781	4-5
Peru	Sol	.2800	.2495	.2492	6
Venezuela	Bolivar	.1930	.2508	.2555	—
Uruguay	Peso	1.0342	.7944	.7984	—
China (Shanghai)	Dollar	—	.2980	.2975	—
Cuba	Peso	1.0000	1.0025	1.0009	—
Hongkong	Dollar	—	.3263	.3236	—
India	Rupee	.3650	.3761	.3766	—
Japan	Yen	.4985	.2920	.2925	—
Java	Guilder	.4020	.6811	.6808	—
Siam	Baht (Tical)	.4424	.4558	.4574	—
Straits Settlements	Dollar	.5678	.5840	.5845	—
South Africa	Pound	4.8666	4.9800	4.9837	—
British Guiana	Dollar	1.0138	1.0387	1.0400	—
Jamaica	Pound	4.8666	4.9950	5.0000	—
Other British West Indies	Dollar	1.0138	1.0387	1.0400	—
Martinique	Franc	.0392	.0661	.0660	—
Guadeloupe	Franc	.0392	.0661	.0660	—
Australia	Pound	4.8666	3.9887	3.9912	—
Egypt	Pound (100 Piastres)	4.9431	5.1150	5.1300	—
New Zealand	Pound	4.8666	4.0200	4.0237	—
Argentina	Free	—	.2764	.2760	—
Brazil	Free	—	.0562	.0561	—
Chile	Free	—	.0407	.0407	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The French franc remained relatively stable during the third week of May, and it was anticipated that the Bank of France statement for the preceding week would show considerably smaller gold losses. These had amounted to approximately \$180,000,000 in the first week of the month. Announcement of an agreement between the United States and China whereby Chinese silver would be purchased at levels close to the market price was made on May 19. It was anticipated that this would aid considerably the efforts to stabilize the Chinese dollar. The Canadian dollar was slightly weaker again at New York and London.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Herring.....	337	Ciudad Trujillo, Dominican Republic.	Agency.
Wheat Flour.....	338	Ciudad Trujillo, Dominican Republic.	Agency.
Macaroni.....	339	Batavia, Java.....	Purchase and Agency.
Miscellaneous—			
Newsprint.....	340	Stgo. de los Caballeros, Dominican Republic.	Agency.
Hardwoods.....	341	New York, U.S.A.....	Agency.
Spruce.....	342	New York, U.S.A.....	Agency.
Spruce Laths.....	343	New York, U.S.A.....	Agency.
Flooring, All Kinds.....	344	New York, U.S.A.....	Agency.
Fine Chemicals.....	345	Singapore, Straits Settlements.	Purchase and Agency.
Lead and Zinc Concentrates....	346	Vienna, Austria.....	Purchase.
Engines, Gasoline, Air-cooled, up to 2 h.p.	347	Auckland, New Zealand...	Purchase.
Generators (for use with gasoline engines).	348	Auckland, New Zealand...	Purchase.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of York, June 5; Duchess of Richmond, June 12; Duchess of Bedford, June 19; Duchess of Atholl, June 26—all Canadian Pacific; Andania, June 5; Antonia, June 19—both Cunard-White Star Line.

To London.—Beaverhill, June 5; Beaverford, June 12; Beaverville, June 19; Beaverburn, June 26—all Canadian Pacific; Ausonia, June 5; Alaunia, June 12; Ascania, June 19; Aurania, June 26—all Cunard-White Star Line.

To Manchester.—Manchester Division, June 4; Manchester Regiment, June 11; Manchester Citizen, June 18; Manchester Port, June 25; Manchester Producer, July 2—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, June 12; Kastalia, June 30—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montrose, Canadian Pacific, June 6 and 27.

To Cardiff, Bristol and Swansea.—New York City, June 3; Bristol City, June 20—both Bristol City Line.

To Glasgow.—Sulairia, June 5; Letitia, June 12; Airthria, June 19; Athenia, June 27—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, June 11; Cairnesk (calls at Dundee), June 25; Cairnglen, July 9—all Cairn-Thomson Line.

To Aberdeen and Hull.—Kelso, June 18; Kyno, July 19—both Ellerman's Wilson Line.

To Dublin and Belfast.—Kenbane Head, June 10; Dunaff Head (does not call at Belfast), June 17; Lurigethan, June 28—all Head Line (cargo accepted for Londonderry and Cork).

To Antwerp and Havre.—Hada County, June 2; Kings County, June 25; Grey County, July 7—all County Line; Beaverhill, June 5; Beaverford, June 12; Beaverburn, June 26; Beaverbrae, July 3—all Canadian Pacific (do not call at Havre).

To Rotterdam.—Columbia (calls at Dunkirk), June 7; Alaska, June 26; Brant County, July 8—all County Line.

To Hamburg.—Frankfurt (calls at Bremen), North German Lloyd Line, June 12; Beaverville, Canadian Pacific, June 19; Kellerwald (calls at Bremen), Hamburg-America Line, July 10.

To Copenhagen, Gothenburg and Baltic Ports.—Braheholm, Swedish-America-Mexico Line, June 22.

- To Norwegian Ports.*—Tyrifjord, Norwegian-America Line, early June.
- To Bilboa, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Aakre, Gardiaz Line, June 18.
- To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Olmo, June 2; Capo Lena, June 30—both Capo Line.
- To Marseilles, Genoa, Barcelona and Spanish Ports.*—Gunvor, Canada-Mediterraneo Line, June 13.
- To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., June 5 and 19
- To Cornerbrook, Nfld.*—North Voyageur, Clarke SS. Co., June 1 and 15.
- To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Cornwallis, June 11; Colborne, June 25—both Canadian National.
- To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Cathcart (does not call at Hamilton or Nassau), June 5; Lady Rodney, June 10; Cavalier (does not call at Hamilton or Nassau), June 19—all Canadian National.
- To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Challenger, July 6; Canadian Constructor, July 24—both Montreal Australia New Zealand Line.
- To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Conqueror, June 19; Canadian Victor, July 24—both Montreal Australia New Zealand Line.
- To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Florence, Ellerman & Bucknall SS. Co., June 6; Rhexenor (does not call at Yokohama or Dairen), Blue Funnel-Java New York Line, June 13.
- To Cape Town, Port Elizabeth, East London and Durban.*—Rhesus, Elder Dempster Lines Ltd., June 15.
- To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Auckland, June 3; City of Shanghai, June 10; City of Birmingham, July 10—all Ellerman & Bucknall SS. Co.
- To Colombia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly.
- To Santos and Buenos Aires.*—Leto (calls at Rio de Janeiro), June 6; Nicoline Maersk, June 20—both International Freighting Corp.; Nordkap (calls at Montevideo but not at Santos), Canada-South America Line, June 10.

From Quebec

- To Southampton.*—Empress of Britain, June 12 and 27; Empress of Australia, June 19—both Canadian Pacific.

From Halifax

- To Liverpool.*—Nova Scotia, June 13; Newfoundland, June 30—both Furness Line.
- To London and Hamburg.*—Artigas, June 6; Waukegan, June 20; Capulin, July 4—all American Hampton Roads (call at Hull, Leith and Dundee).
- To Aberdeen, Newcastle and Hull.*—Cavallo, Ellerman's Wilson Line, June 12.
- To Copenhagen and Baltic Ports.*—Batory (calls at Gdynia), Gdynia-America Line, June 3.
- To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Townsend, Furness-Red Cross Line, June 1; Magnhild, Newfoundland-Canada SS. Ltd., June 3; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., June 3; Nova Scotia (does not call at St. Pierre), Furness Line, June 13.
- To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Hawkins, June 4; Lady Drake, June 18; Lady Nelson, July 2—all Canadian National.
- To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lionel, June 2; Flint II, June 17—both Ocean Dominion Line.
- To Santiago (Cuba) and Kingston (Jamaica).*—Ciss, Pickford & Black Ltd., June 3.
- To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Chomedy, June 1; Cornwallis, June 15; Colborne, June 29—all Canadian National.
- To Kingston (Jamaica) and Belize (British Honduras).*—Cathcart, June 8; Cavalier, June 22—both Canadian National.
- To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.*—Silvercypress, June 6; Siamese Prince, June 20; Silverwalnut, July 4—all Silver-Prince Line.
- To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.*—Tanimbar, Java-New York Line, June 3.

From Saint John

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, June 10; Lady Nelson, June 24—both Canadian National.

To Kingston and Jamaican Outports.—Harboe Jensen, United Fruit Line, June 5.

From Vancouver

To Yokohama, Kobe and Osaka.—Hikawa Maru, June 13; Hiye Maru, June 27; Heian Maru, July 18—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Asia (calls Nagasaki), June 10; Empress of Canada (calls Honolulu), June 27; Empress of Russia (calls Nagasaki), July 11; Empress of Japan (calls Honolulu), July 25—all Canadian Pacific; Tyndareus, June 28; Ixion, July 26—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—Tosari, Silver-Java Line, June 1.

To Honolulu, Suva, Auckland and Sydney.—Niagara, June 17; Aorangi, July 15—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Coast, June 15; Golden Bear, July 18—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Waiotapu, June 6; Limerick, July 14—both Canadian-Australasian Line.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., June.

To Sydney, Melbourne and Adelaide.—Bolton Hall, May-June; Hartlepool, May-June; Harborough, May-June—all Australian Freight Line.

To London, Liverpool and Rotterdam.—Nebraska, June 13; Narenta (calls at Glasgow), June 27—both Holland-America Line.

To London, Liverpool and Cardiff.—A steamer, Reardon Smith Line, June.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—A steamer, East Asiatic Co., June.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., June.

To Scandinavian Ports.—Margaret Johnson, June 3; Buenos Aires, Aug. 6—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—A steamer, Empire Shipping Co., June.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Celtic Monarch, Canadian Transport Co., June 1.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—Silverpalm, Silver-Java Pacific Line, June 5.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hoyanger, June 22; a steamer, July 22—both Empire Shipping Co.

From New Westminster

To London and Liverpool.—Delftdyk (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., June 2; Pacific Ranger (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., June 5; Moveria (calls at Glasgow), Balfour Guthrie & Co., June 11; Vancouver City (calls at Cardiff), Reardon Smith Line, June 13.

To United Kingdom Ports.—Segunda, June 1; Phaex, June 4; Nordbo, June 5—all Anglo-Canadian Shipping Co.; Martin Baake, Canada Shipping Co., June 4; Gothic Star, America Mail Line, June 8; Selma City, B. W. Greer & Son Ltd., June 11.

To Yokohama, Kobe and Osaka.—Hikawa Maru, B. W. Greer & Son Ltd., June 3; Meiwu Maru, Yamashita Shipping Co., June 3.

To Australian Ports.—Roxen, Empire Shipping Co., June 11.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE 1055

L. D. WILGESS, *Director*

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Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

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South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

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London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucm.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERICAL
INTELLIGENCE
JOURNAL



Vol. LIV

Ottawa, June 6, 1936

No. 1688



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ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, June 6, 1936

No. 1688

MONETARY AND NON-MONETARY GOLD IN TRADE STATISTICS

The Bureau of Statistics has experienced considerable difficulty in recent years in connection with the treatment of gold in trade statistics, especially in the case of exports. In former times there was some movement of gold as merchandise; for example, Canada exported gold-bearing quartz, dust, nuggets, and bullion obtained direct from mining operations to the United States for refining purposes. These exports were recorded as merchandise. When the Royal Mint began refining gold in Ottawa, this gold-bearing quartz, dust, nuggets, etc., began to be exported in the form of gold bullion, and to be recorded under the "coin and bullion" section. The question of recording gold in import and export trade came up for discussion at the conference of Commonwealth Statisticians which met in Ottawa last fall, when the following resolution was passed:—

- (a) Imports and exports of gold should be published according to countries, by quantities in fine ounces and values in the currency used in the national statistics.
- (b) Total imports and total exports of gold should be classified into—
 - (i) Gold metal—
 - (a) In bars (in the form accepted in inter-bank transactions).
 - (b) Other unworked gold.
 - (ii) Gold coin.
- (c) As far as practicable, the imports and exports of gold for monetary purposes should be indicated.

The Bureau has since been in conference with the Bank of Canada and the Department of National Revenue, and has developed a policy whereby all gold bullion which goes out of the country as "merchandise" will be entered as such and will be recorded in total commodity exports. This will make a considerable difference in the ordinary trade figures of "favourable" or "unfavourable" trade balances, as the bullion exports have grown to nearly \$100,000,000 a year.

From April 1, 1936, exports of Canadian gold bullion, non-monetary, formerly included under "Coin and bullion" will be recorded as "Merchandise." This will necessitate a revision of Canada's "Merchandise," and "Coin and Bullion" exports, from about 1920 to date.

TRADE COMMISSIONERS ON TOUR

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Melbourne, Australia, and Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City (whose territory includes Mexico, Guatemala, Honduras, and Salvador), are visiting the principal industrial centres of the Dominion in the interest of Canadian trade with their respective territories. Subjoined are their itineraries as at present arranged:—

Mr. Cosgrave

Toronto and district, Orillia, Peterborough	June 10 to 24
Montreal, Valleyfield, Granby, St. Hyacinthe	June 29 to July 15

Mr. Palmer

Halifax	June 8 and 9
Saint John	June 10
Sherbrooke	June 12
Montreal	June 15 to 17
Toronto and Mimico	June 18 to 27
Guelph	June 29

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

TRADE OF NEW ZEALAND IN 1935

C. M. CROFT, CANADIAN TRADE COMMISSIONER

(All values shown are in New Zealand currency. Where the terms cwt. and ton appear, these are the cwt. of 112 pounds and the ton of 2,240 pounds)

Auckland, May 1, 1936.—Complete statistics of the trade of New Zealand for the calendar year 1935 have not yet been published, but summaries of the imports and exports in some of the more important items have been compiled.

The preliminary statistical returns of the trade of New Zealand for the calendar year 1935 show that the exports of merchandise amounted to £46,538,678, and imports of commodities to £36,287,544, thus showing a visible balance of trade of £10,251,134. It should be noted that the values of exports and imports do not include specie, which was exported to the value of £521,000 and imported to the value of £381,821 during the year under review.

As compared with 1934, exports were slightly lower in value while the imports showed some expansion, the statistics of the commodity trade (excluding specie) for that year being: exports, £47,342,847; and imports, £31,339,552, or an excess of exports of £16,003,295. Imports were higher than for any year since 1930, and the exports were above the average of recent years and, with the exception of 1934, exceeded any year since 1929.

EXPORT TRADE

In view of the degree to which New Zealand depends for her prosperity on the sale of her products abroad, it is interesting to review briefly the salient features of the exports for 1935 and to offer a comparison with 1934. As has been stated above, the value of exports (excluding specie) during 1935 was £46,538,678 as against £47,342,847 for 1934. It may be pointed out at this stage that a decreased quantity of and lower prices for wool was in a large measure responsible for this decline. The quantities and the values of the

principal exports during 1935 follow (comparative figures for 1934 being shown in parentheses):—

Butter, 2,789,298 cwts., £13,616,740 (2,614,519 cwts., £10,042,776); casein, 65,167 cwts., £161,700 (57,744 cwts., £149,666); cheese, 1,727,552 cwts., £4,376,512 (1,984,496 cwts., £4,694,459); frozen and chilled beef, 817,586 cwts., £979,711 (827,310 cwts., £871,359); frozen lamb (whole carcasses), 2,605,526 cwts., £8,184,521 (2,584,405 cwts., £7,903,337); frozen mutton (whole carcasses), 1,025,305 cwts., £1,837,600 (901,938 cwts., £1,595,564); frozen pork, 491,640 cwts., £1,308,222 (426,426 cwts., £1,138,488); other frozen meats, 266,457 cwts., £458,914 (229,368 cwts., £378,207); potted and tinned meats, 74,205 cwts., £216,217 (44,348 cwts., £127,090); sausage skins, 4,192,001 pounds, £787,261 (4,524,412 pounds, £625,394); dried milk, 14,578,002 pounds, £272,382 (17,493,122 pounds, £338,539); preserved and similar milk and cream, 6,205,078 pounds, £98,508 (4,069,328 pounds, £69,169); fresh apples, 37,790,819 pounds, £467,422 (57,763,643 pounds, £716,780); fresh pears, 3,786,790 pounds, £57,071 (4,915,070 pounds, £62,060); cattle hides, 521,745, £441,325 (476,235, £439,013); sheepskins with wool, 2,405,251, £381,283 (2,949,971, £524,309); sheepskins without wool, 11,765,293, £894,181 (9,243,726, £725,782); wool, 647,801 bales, £7,096,873 (741,916 bales, £12,516,425); grass and clover seeds, 71,649 cwts., £215,738 (48,751 cwts., £166,511); tallow, 25,277 tons £630,638 (27,662 tons, £480,354); coal, 46,146 tons, £62,955 (40,361 tons, £51,489); gold, 171,283 oz., £1,441,790 (162,490 oz., £1,320,690); silver, 389,263 oz., £61,317 (359,540 oz., £39,372); and sawn timber, 39,585,198 super. feet, £364,359 (34,530,279 super. feet, £320,427).

NOTES ON EXPORT COMMODITIES

It is seen that in most cases both the quantities and values of New Zealand's principal exports exhibited increases during the year as compared with 1934.

Wool.—As has been indicated, the chief decline occurred in wool, where it is observed that the quantity exported was 12·7 per cent below 1934, while the declared value had receded by some 43·3 per cent. Prices fell during the 1934-35 wool season, and the wool clip was also less than in the one preceding; however, the monthly statistics of exports show a marked increase for December, 1935, due mainly to an increase in price.

Dairy Products.—Butter shipments were slightly greater in quantity than in 1934, the expansion being 6·7 per cent, while the value recorded showed an increase of 35·6 per cent; here again prices have been advancing, and the value of the shipments during December was 105·1 per cent in advance of that for December, 1934; throughout the year London prices were better than for the corresponding period of 1934. The exports of cheese were slightly lower than in 1934 both in quantity and value, but whereas the quantity exported declined some 12·9 per cent, the value had dropped only 6·8 per cent; the average declared value of cheese exported during the year under review was 5·43d. per pound as against 5·07d. per pound in 1934.

Meat.—With respect to frozen and chilled beef, the quantity exported was slightly (1·2 per cent) below the level of 1934 but the value had increased by 12·4 per cent; the average price worked out at £1 4s. per cwt. as against £1 1s. 1d. for 1934, the increase being due mainly to the fact that more chilled beef was shipped in 1935 than in 1934. The quantity of both frozen lamb and mutton exported showed slight increases, while the values also expanded. The export trade in frozen pork exhibited a satisfactory expansion, the quantity being 15·3 per cent and the value 14·9 per cent higher than in 1934; pork must now be included among the major items of export.

Potted and tinned meats, while still a relatively minor item, showed considerable growth in export, the quantity being 67·3 per cent higher than in 1934, while the value had increased 70·1 per cent. Altogether the meat trade of the Dominion was on a satisfactory level.

Fruit.—The export of apples showed a substantial decrease, the trade being 34·6 per cent less in quantity and 34·9 per cent less in value than in 1934. Shipments of pears also declined, although not to the same extent as

apples, the quantity of pears exported being 23 per cent below 1934, while better prices resulted in a decline of only 8 per cent in value. The reduced quantity of fruit exported was the result of late frosts followed by very dry conditions in some of the main fruit-growing districts.

Hides and Skins.—The number of cattle hides shipped abroad increased by 9·6 per cent, but the value was only 0·5 per cent above that for 1934. Sheepskins with wool were exported in lesser quantity, the decline being 18·5 per cent, while the value had dropped by 27·3 per cent. On the other hand, the number of sheepskins without wool expanded 27·3 per cent, and the value was 23·2 per cent greater than in 1934. Tallow shipments were 8·6 per cent below the quantity in 1934, but prices had considerably improved and the value was 31·3 per cent greater.

Silver and Gold.—A noteworthy increase in price is evident in the case of silver, the quantity of which expanded by 8·3 per cent while the value had increased by 55·7 per cent. The export of gold has shown continued expansion: the value for 1935 was not only 9·2 per cent higher than in 1934, but was also the highest since 1913 (excepting during the abnormal years of the war). The exports of gold have fluctuated considerably, and during the past fifty years the highest total of £2,279,904 was recorded in 1906 and the lowest was £472,364 in 1925 (excepting the abnormal year 1918).

DIRECTION OF EXPORTS

Empire countries have always absorbed a very large proportion of New Zealand's exports. Of the total exports (excluding specie but including re-exports) of £46,538,678, no less than £41,778,541 or 89·77 per cent went to Empire countries; this is to be compared with 87·83 per cent in 1934. It should be pointed out that the statistics of exports are on the basis of the country to which shipment is made and not the country of final destination.

The United Kingdom was, as usual, the outstanding customer, her purchases being valued at £38,921,568 or 83·63 per cent of the total (compared with £38,629,240 or 81·59 per cent in 1934). The United States was the second largest purchaser with £2,468,071 or 5·30 per cent (£1,250,364 or 2·64 per cent in 1934), followed by Australia with £1,781,811 or 3·83 per cent of the total (£1,882,516 or 3·98 per cent) and Canada with £656,984 or 1·41 per cent (£697,865 or 1·46 per cent).

Belgium was credited with £647,212 or 1·39 per cent (£612,646 or 1·29 per cent), France with £484,610 or 1·04 per cent (£1,228,699 or 2·60 per cent), Japan with £432,495 or 0·93 per cent (£856,014 or 1·81 per cent), and Germany with £165,304 or 0·36 per cent (£944,310 or 2 per cent).

IMPORTS

The value of imports into New Zealand (excluding specie) was recorded as £36,287,544 as against £31,339,552 in 1934; these values (and those which follow) represent the current domestic value in the country of origin increased by 10 per cent, and are in terms of New Zealand currency.

During the past three years the value of imports has shown a substantial increase; the lowest point (during recent years) was in 1932, when the value was only £24,646,006. The purchases in 1933 showed a minor increase of 3·80 per cent, the value being £25,581,366, whereas a substantial expansion was noted in 1934 to the level of £31,339,552. Although purchases in 1935 were somewhat in advance of those in 1934, they were still well below the average of 1921-30, namely, about £45,440,000.

The relatively low level has been caused by a number of factors, including lower prices ruling for most commodities, and the general recession in

overseas purchases brought about by the economic depression. The exchange situation has affected the position and, furthermore, there has been a considerable expansion in local industry and a marked tendency to manufacture or assemble to a greater degree in New Zealand.

PRINCIPAL IMPORTS INTO NEW ZEALAND IN 1935

Passenger Motor Vehicles.—£2,723,310 (£1,819,336): United Kingdom, £1,567,556; United States, £716,415; Canada, £439,239.

Lorries, Trucks, Vans, and Buses (and Chassis).—£484,221 (£442,632): United Kingdom, £222,085; United States, £151,549; Canada, £110,587.

Tires for Motor Vehicles.—£753,042 (£740,333): United Kingdom, £444,071; Canada, £254,625.

Parts for Motor Vehicles.—£230,480 (£181,763): United Kingdom, £97,001; United States, £87,780; Australia, £25,691; Canada, £16,729.

Motor Spirit.—£1,085,361 (£1,081,404): Dutch East Indies, £623,852; United States, £359,522; Russia, £125,850.

Cotton Piece-goods.—£1,667,074 (£1,703,289): United Kingdom, £1,469,376; Japan, £139,370; United States, £19,832; Canada, £8,716; Australia, £7,716; Belgium, £5,495; France, £3,687.

Silk and Artificial Silk Piece-goods.—£964,315 (£875,714): Japan, £398,666; United Kingdom, £325,157; Canada, £39,032; Italy, £38,855; France, £33,994; Australia, £30,757; Germany, £25,079.

Woollen Piece-goods.—£652,616 (£673,904): United Kingdom, £638,134; Germany, £3,372; Italy, £1,759.

Apparel.—£1,107,546 (£1,036,201): United Kingdom, £847,907; Japan, £63,979; Germany, £46,911; Australia, £40,426; United States, £32,689; Italy, £24,989; Czechoslovakia, £16,564; Canada, £16,354.

Hosiery.—£196,629 (£272,359): United Kingdom, £108,643; Canada, £61,416; Australia, £13,432.

Drapery.—£326,970 (£325,540): United Kingdom, £247,438; Switzerland, £16,255; Japan, £13,386; Germany, £10,419; China, £8,562; France, £8,332.

Boots and Shoes.—£472,049 (£434,802): United Kingdom, £253,594; Canada, £100,377; Japan, £50,140; Australia, £40,842; Czechoslovakia, £15,455.

Carpets, Matting, and Linoleum.—£496,425 (£433,901): United Kingdom, £440,338; India, £16,710; Belgium, £10,210; United States, £9,091; Australia, £7,153; Canada, £2,955.

Sugar.—£710,638 (£646,150): Dutch East Indies, £580,886; Cuba, £45,524; United States, £33,306.

Tea.—£648,535 (£725,164): Ceylon, £610,549; India, £144,472.

Wheat Flour.—£202,855 (£163,365): Canada, £131,409; United States, £68,651; Australia, £2,790.

Wheat.—£58,977 (£28,331): Canada, £20,066.

Iron and Steel Bar, Bolt, and Rod.—£289,340 (£266,036): Australia, £189,654; United Kingdom, £97,841; Canada, £1,487.

Iron and Steel Tubes.—£381,574 (£301,279): United Kingdom, £318,244; Canada, £52,884.

Fencing Wire.—£251,497 (£176,423): United Kingdom, £161,532; Australia, £49,706; Canada, £24,959.

Hardware, Cutlery, and Metal Manufactures.—£651,986 (£489,085): United Kingdom, £423,401; United States, £100,082; Australia, £44,314; Canada, £21,694; Japan, £20,825; Germany, £19,160; Sweden, £12,909.

Electric Machinery and Equipment.—£1,276,316 (£928,398): United Kingdom, £873,176; United States, £146,505; Australia, £112,102; Canada, £76,239; Sweden, £20,141.

Agricultural Machinery.—£211,227 (£148,704): United Kingdom, £73,050; United States, £64,385; Canada, £39,017; Australia, £18,721.

Newsprint.—£327,310 (£299,379): Canada, £309,022.

Other Printing Paper.—£222,966 (£199,446): Canada, £14,969.

Timber, Sawn.—£206,164 (£146,325): Australia, £112,064; Canada, £26,801; Japan, £23,959; United States, £20,779; Sweden, £11,555.

DIRECTION OF IMPORTS

There has been little change in the direction of New Zealand's import trade. Empire countries continue to supply a very large proportion of the requirements of this Dominion, and of total imports of £36,287,544, £26,602,683 or 73.31 per cent originated in other British countries.

The United Kingdom was the outstanding supplier with £18,283,884 or 50·39 per cent of the total, as compared with 50·38 per cent of the 1934 imports. Australia shared in the import trade to the extent of £3,955,677 or 10·90 per cent of the total as against 10·33 per cent. Canada retained her position as a source of supply, purchases being valued at £2,450,616 or 6·75 per cent of the total; the percentage in 1934 was 6·70. Imports from India declined somewhat and were valued at £571,627 or 1·58 per cent as compared with 2·13 per cent. Purchases from Ceylon to the value of £633,594 represented 1·75 per cent of the total as against 1·87 per cent in 1934.

The United States was the principal source of supply among foreign countries with 12·50 per cent of the total or £4,534,086: in 1934 the United States was credited with 11·96 per cent. The Dutch East Indies supplied commodities to the value of £1,437,379 or 3·96 per cent of the total (4·41 per cent in 1934). Japan improved her position slightly; the value of imports from that country was £1,100,177 (£936,597 in 1934) or 3·03 per cent (2·67 per cent).

NEW ZEALAND'S TRADE WITH CANADA IN 1935

C. M. CROFT, CANADIAN TRADE COMMISSIONER

Exports

Auckland, New Zealand, May 2, 1936.—Statistics recently published show that the value of New Zealand's exports to Canada during 1935 was £656,984 as against £697,865 in 1934. The principal commodities making up the total were butter exported to the value of £8,951 as against £13,277 in 1934; casein, £1,780 (£793); gelatine, £280 (£4,460); frozen beef, £1,625 (£1,781); frozen lamb, £878 (£13); sausage casings, £223,633 (£156,645); apples, £23,686 (£25,280); calfskins, £70,980 (£44,291); cattle hides, £42,198 (£49,293); sheepskins with wool, £35,946 (£49,968); sheepskins without wool, £12,110 (£6,994); greasy wool, £101,796 (£174,258); scoured wool, £30,916 (£71,020); sliped wool, £64,191 (£55,780); grass seeds, £8,813 (£6,919); tallow, £5,207 (nil); and kauri gum, £1,709 (£2,851).

As will be seen, there were a number of commodities shipped to Canada to a greater value in 1935 than in 1934, but as against this an even greater number receded in value with a resultant reduction in the total. It should be pointed out that wool prices were low in 1935, and therefore the decrease in volume was not quite so great as in value.

Imports

During 1935 New Zealand purchased Canadian goods to the value of £2,450,616 as against £2,097,205, an increase of £353,411. Canada supplied 6·75 per cent of the total imports in 1935 as compared with 6·70 per cent in 1934.

INCREASES AND DECREASES

Increases are noted in many items of import from Canada, among these being canned fish, wheat flour, maizena and cornflour, general provisions, apparel, rubber boots, leather footwear, rubber-soled canvas footwear and goloshes, cotton piece-goods, silk piece-goods, bolts and nuts, copper plate and sheet, iron and steel pipes, artificers' tools, fencing wire, general hardware lines, agricultural implements, calculating machines, electric motors, radio sets, washing machines, belts and belting, leather, Douglas fir, cardboard and building board, newsprint, fancy goods, motor vehicles and parts, brushes and brushware, and soap.

The principal decreases were in wheat, fur skins, clover and grass seeds, hosiery, drapery, iron and steel bars, bolts and rods, electric meters, tacks and

nails, wireless apparatus other than radio sets, writing paper, printing paper other than newsprint, paper for manufacture, general stationery lines, and motor tires.

NOTES ON THE PRINCIPAL IMPORTS FROM CANADA

Through the courtesy of the New Zealand Customs Department, specially compiled statistics are available of the imports into this Dominion from Canada during the year under review. A review of the trade in the principal commodities is therefore possible, and follows:—

Provisions of Animal Origin.—1935, £91,363; 1934, £72,339.

The principal commodity of this class is canned fish (including essentially salmon, pilchards, sardines, and lobsters); the value of the trade was £90,937 (£71,584 in 1934). Details of the total trade are not available, but purchases of all fish (frozen, smoked, dried, and canned) amounted to £153,681 (£116,879); thus canned salmon accounted for 59.1 per cent of the total imports of fish (61.4 per cent in 1934). The only other commodity of this class was sausage casings and skins to the value of £755 (£426).

Provisions of Vegetable Origin.—1935, £193,787; 1934, £169,411.

Wheat flour constituted the outstanding item of import of this group, and was purchased from Canada to the value of £131,409 as against £110,512 in 1934; total imports of flour amounted to £202,855 (£163,365), and it is seen that Canada supplied 64.8 per cent of this product (67.6 per cent in 1934).

Imports of Canadian wheat dropped somewhat, the value being £20,066 (£27,168); this wheat was imported for milling in New Zealand and blending the product with flour from local wheat. The quantity of imported flour or flour milled locally from imported wheat used by the bakers is fairly constant and as the imports of flour increased the imports of wheat decreased proportionately. Unfortunately, a continuance of the trade in flour cannot be anticipated as regulations have been made effective prohibiting the importation of this commodity except under permit, but it is hoped that a quantity of wheat approximately equivalent to the flour imports will be purchased by New Zealand.

Maizena and cornflour were imported to the value of £14,417 (£10,857). Onions came from Canada to the extent of £11,849 (£7,880); while the trade shows an expansion, it should be noted that the total imports amounted to £24,420 (£8,000); Canadian prices were less competitive in the early part of the 1935 season than in the same period of 1934: this accounts for the relative loss of trade. Provisions n.e.i. showed an expansion, the value being £8,082 (£5,207); this item includes a variety of foodstuff lines such as canned goods, and is capable of further development. The Dominion supplies a small quantity of salt to New Zealand, the value being £4,016 (£4,019). The trade in macaroni, vermicelli, and spaghetti was only a small percentage of the total; it amounted to £3,566 (£3,610). Purchases of Canadian confectionery, valued at £382 (£302), are only a fraction of the trade enjoyed a few years ago, when Canadian chocolates were sold extensively; locally made confectionery (particularly chocolates) has a strong hold on the market.

Beverages.—1935, £1,797; 1934, £515.

The only item included under this heading was chocolate.

Live Animals.—1935, £1,019; 1934, £1,101.

The imports consisted of cattle; the trade is a spasmodic one and consists of the purchase of pedigree animals for breeding purposes. There is a trend in certain sections of New Zealand towards beef cattle as distinct from dairy cows.

Animal Substances.—1935, £15,802; 1934, £18,437.

The only commodity specified was fur skins, green and sun-dried. No details are available of imports from other countries and an analysis is not possible. Canada's trade has been principally in muskrat skins which are made into apparel in New Zealand.

Vegetable Substances.—1935, £4,060; 1934, £6,138.

Timothy seed came from Canada to the value of £1,659; no purchases were recorded in 1934. As against this, other grass and clover seeds amounted to £727 as against £3,842 in 1934. Purchases of starch were to the value of £1,479 (£904). Wood-pulp was the only other item included and was valued at £195 (£1,393); the Dominion has never been able to secure much trade in wood-pulp as competition from Scandinavian countries is very severe and no tariff preference exists on this commodity.

Apparel.—1935, £204,606; 1934, £198,251.

This classification includes a number of items of considerable interest to Canada; the largest individual one is hosiery, which came to the value of £61,416 (£86,180). Total imports of hosiery amounted to £196,629 (£272,359), but it is impossible to say definitely whether the reduction is due to lesser quantities or to lower prices; certainly there have been fairly large importations of unfinished hosiery (which are dyed and finished locally), and which,

naturally, are lower-priced than are completed stockings. The purchases from Canada are almost wholly pure silk full-fashioned hosiery, while hosiery of all kinds is included in this item.

Imports of boots and shoes in 1935 were in advance of those of the previous year and included children's (sizes 0 to 9), £1,302 (£591); gum boots, £53,712 (£47,384); leather, £12,301 (£2,425); and rubber-soled canvas shoes and goloshes, £32,237 (£24,499). Details of the imports of various classes of footwear from other countries are not to hand; total imports of all footwear were valued at £472,049 (£434,802); thus Canada supplied about 21·1 per cent of the total (17·3 per cent in 1934). Competition from Japan is very keen in rubber-soled canvas shoes, and the quality is good consistent with the price; nevertheless there is a tendency in New Zealand to purchase, as in former years, quality goods. The expansion of sales of leather footwear is encouraging and includes both ladies' and gentlemen's shoes.

Apparel n.e.i. includes such articles as frocks, corsets, and underclothing; the imports from Canada were valued at £16,354 (£9,415); this expansion is due in large measure to the success which has attended the efforts made to introduce ladies' frocks from Canada. Rubber heels, soles, and knobs were to the value of £14,291 (£14,131).

Textiles.—1935, £53,993; 1934, £18,369.

The substantial increase noted under this heading was due to a marked expansion in the purchases of piece-goods in Canada, particularly silk and artificial silk, which reached the value of £39,032 (£4,593 in 1934); various commodities of silk and artificial silk (particularly items of underclothing) are now being made in New Zealand from imported textiles, and Canada has been able to secure a much larger share of this trade. Imports of cotton, linen, and canvas piece-goods also expanded, the value being £8,716 (£2,825), while leather cloth and oil baize amounted to £2,134 (£1,936). A substantial decrease is noted in drapery, not elsewhere specified, to the small value of £655 (£4,665). Floor coverings came from Canada to the extent of £2,955 (£3,731), and comprised chiefly linoleum and similar floor coverings; the trade in carpets was almost negligible. A few years ago Canadian carpets came to this Dominion in fairly satisfactory quantities, and it is believed that a market could be developed.

Manufactured Fibres.—1935, nil; 1934, £415.

The one item of import under this heading in 1934 was bags of jute, hemp, or hessian, while no such imports were recorded in 1935.

Paints and Varnishes.—1935, £2,667; 1934, £1,809.

No particulars are available of the classes of paints and varnishes imported from Canada during the year under review.

Metals and Metal Manufactures.—1935, £235,434; 1934, £168,890.

There are many items included in this class, some of which have come from Canada in considerable quantities. The largest individual commodity was iron and steel pipes, tubes and fittings therefor, which amounted to £52,884 (£33,470); the total imports of this item were to the value of £381,574 (£301,279). Details of the classes of pipes and tubes purchased from Canada are not to hand, but it is known that the majority of the imports were wrought iron pipes. In addition to iron pipes and tubing there were imports of copper tubing to the value of £2,424 (£1,226).

Wire was quite an important item in Canadian trade, and included fencing wire, £24,959 (£13,871); iron wire other than fencing, £51,631 (£52,600); and other kinds of wire, £1,220 (£2,554). It is thus seen that Canada's exports of fencing wire increased considerably even in the face of the keen competition which exists, while other classes of wire declined in value; in the absence of details of total imports it is not possible to analyse the trade. Bolts and nuts from Canada were valued at £10,226 (£6,916), this increase being proportionate to the total trade of £71,912 (£56,077). Copper plate and sheet exhibited considerable improvement; the value was £16,135 (£6,827).

Some recession is noted in the imports of electric meters, which were valued at £10,341 (£12,719); in 1934 purchases from Canada were on a much higher level than usual. The purchases of artificers' tools remained practically stationary at £27,420 (£24,120). General hardware lines, unspecified, came from Canada to the value of £21,694 (£9,786), thus showing considerable expansion. Nails and tacks receded to £5,704 (£7,808). Staples also decreased in value to £2,664 (£4,109); it was reported last year that staples are being manufactured in New Zealand, and this accounts for the decline in trade.

The imports of iron and steel bar, bolt, and rod from Canada were valued at £1,487 (£6,332), whereas total imports amounted to £289,340 (£266,036); a notable feature of this trade is the increase in the purchases from Australia, which were to the value of £189,654 (£159,033), while imports from the United Kingdom (the only other supplier of importance) had dropped to £97,841 (£100,025); Australia has the advantages of a favourable exchange and a short freight haul. A few more Canadian lawn mowers came to New Zealand than in 1934, the value being £1,075 (£986).

Machinery and Machines.—1935, £179,133; 1934, £124,771.

The principal item under this heading was agricultural machinery, in which considerable expansion has taken place; the value was £39,617 as against £16,930 in 1934. The total imports of agricultural machinery and implements were valued at £211,227 (£153,001); thus Canada's share of the trade had increased both in value and as a percentage of the whole, the figure being 18.8 per cent as against 11.1 per cent in 1934. The other prominent sources of supply were the United Kingdom and the United States.

Electrical batteries and parts were valued at £36,549 as against £36,576 in 1934; competition in storage batteries has been very keen. There is now a local factory making dry batteries; but up to the present it is not possible to indicate the extent to which this has reacted on imports. For the year under review the trade returns have included separate entries for storage batteries and other batteries, and it is of interest to observe that storage batteries and parts came from Canada to the value of £16,389, whereas batteries other than storage accounted for £20,160.

The imports of electric stoves and ranges of Canadian origin were valued at £12,467 as against £5,780 in 1934. Several local firms are making electric stoves, and others have carried on negotiations with factories in other countries with the object of importing parts and assembling the stoves here. Electric motors of Canadian origin were purchased to the value of £9,519 (£3,453); some Canadian firms have developed a satisfactory trade in New Zealand, and the motors are regarded favourably by the trade and are competitive in price, with the result that business has expanded materially.

Wireless receiving sets (radio sets) in cabinets were valued at £8,211 (£5,111), while other wireless apparatus (including parts of radio sets) amounted to £4,391 (£10,344); it has been felt for some time past that Canada should enjoy a greater trade in wireless and radio equipment, but up to the present very few Canadian radio sets have been sold in this Dominion. There are several manufacturers of sets in New Zealand; the most prominent of these have indicated that they would purchase parts in Canada if prices were competitive.

Carbons for arc lamps were valued at £1,394 (£541). Electrical apparatus other than that already outlined, and including insulated wire and cable, lamp-bulbs, apparatus peculiar to telegraphy and telephony, and small insulators (but not large industrial insulators), were imported from Canada to the value of £15,511 (£13,742). Spark plugs for oil engines of Canadian origin were valued at £13,641 (£12,050).

The trade in calculating machines and cash registers showed substantial improvement, the value being £12,224 (£2,200); it is understood that it was entirely in cash registers; no imports were recorded in 1932, and the value in 1933 was £751. Washing machines of Canadian origin were credited with £9,185 (£3,886); several Canadian machines are now on the market. Insulators and fittings therefor (and including particularly large insulators for industrial uses) were purchased from Canada to the value of £4,506 (£2,081). Vacuum cleaners from Canada were valued at £2,809 (£916). Some dairying machinery and equipment came from Canada, the value being £2,939 (£2,190); the total trade amounted to £133,686 (£149,677), and was composed chiefly of rubber parts for milking machines.

India-rubber and Manufactures.—1935, £42,918; 1934, £35,218.

Belts and belting was by far the most important item in this group and was valued at £24,837 (£20,154). The purchases of hose, tubing, and piping declined slightly to £9,875 (£10,010), while other items of rubber came from Canada to the value of £8,206 (£5,054). Total imports of all india-rubber goods (other than tires) was £117,232 (£101,349).

Leather.—1935, £6,665; 1934, £4,570.

The only entry included in the summarized return of imports from Canada was "leather n.e.i., including sole leather." It is therefore impossible to indicate the quantities of the various kinds of leathers which were imported.

Timber.—1935, £30,348; 1934, £25,033.

Imports of timber are still on a low level, although some improvement is noted. The purchases of rough sawn Douglas fir amounted to £24,729 (£22,001); other kinds of rough sawn lumber were valued at £2,321 (£1,049). Laths and shingles were imported to the value of £2,929 (£1,981).

It was reported last year, when referring to the market for building lumber, that the subsidized building scheme demanded the use of local timbers, and while this was in existence there was little hope of any marked expansion in imports. The same comment applies now, except that the price of local lumber has advanced and is now approaching the cost of imported timber. The charges incidental to the importation of lumber are very high, including exchange, freight, duty, surtax, and sales tax.

During the year under review a trial shipment of logs from British Columbia was landed and the experiment proved to be fairly satisfactory. The purchases of laths and shingles expanded somewhat, but there is a relatively small market; shingles are not used for roofing to any extent as fire insurance rates are very high for buildings with shingled roofs. Comparatively few houses are finished with lath and plaster.

Woodenware.—1935, £10,531; 1934, £7,970.

There are few items included in this group, these being handles for tools, £1,264 (£1,316); veneers and plywood, £742 (£151); furniture and cabinetware, £536 (£187); while woodenware not specified makes up the balance of £7,989 (£6,316). Canada has not been able to secure any substantial portion of the market for handles for tools as prices quoted by Canadian firms have not, in most cases, been competitive. There is a fairly extensive market for veneers and plywood.

Earthenware.—1935, £4,290; 1934, £4,507.

Glass bottles came from Canada to the value of £1,920 (£1,876); the trade is largely in milk bottles. Plaster of paris declined slightly, the value being £1,005 (£1,177); competition from Australia was very severe. The only other commodities included in this group were lenses, £979 (£1,305); and plate glass, £386 (£149).

Paper.—1935, £415,215; 1934, £381,385.

Included here is one of the major items of import from Canada, namely newsprint, the value of which in 1935 was £309,022 as compared with £271,574 in 1934. The total imports of newsprint amounted to £326,935 (£299,379); thus Canada improved her position slightly and furnished about 94·5 per cent of the imports (90·5 per cent in 1934). Printing paper other than newsprint came from Canada to the value of £14,969 (£17,041); total imports amounted to £223,608 (£199,446). Canada has not a large share of this trade. Although the quality of the Canadian product is good, the characteristics are different from those of English paper and the printers are accustomed to and therefore prefer printing paper of this class from the United Kingdom.

Wrapping paper accounted for £32,475 (£37,119). Cardboard, pasteboard, millboard, and similar board, including insulating board for building purposes, was purchased from Canada to the value of £29,010 (£26,005). Competition in insulating board is very keen. Canada slightly increased her sales of wallpaper in New Zealand, the value for 1935 being £11,450 (£9,832).

Purchases of writing paper were practically unchanged at £5,065 (£5,094); Canada's trade is a very small proportion of the whole. Paper for use in manufacture in New Zealand was valued at £3,500 (£6,742), and fruit wrapping paper at £45 (£8). Imports of paper, other than those specified, are included under the heading of "paper, other kinds," the value being £9,679 (£7,936).

Stationery.—1935, £7,504; 1934, £9,133.

Printed books from Canada were valued at £2,471 (£1,205); total imports amounted to £437,917 (£408,690). The only other headings were handbills, circulars, and programs, £489 (£549); and black printing ink, £344 (£472). The remainder of the imports of stationery lines from Canada was included as "stationery, manufactured, and n.e.i.," to the value of £4,200 (£6,952).

Fancy Goods and Jewellery.—1935, £17,266; 1934, £13,749.

There are only two specific entries in this classification, namely, clocks to the value of £6,927 (£6,193) and watches, £4,214 (£3,715); other imports are included under the heading of "fancy goods," which amounted to £6,125 (£3,841). Total imports of timepieces were valued at £84,895 (£69,999).

Optical, Surgical, and Scientific Instruments.—1935, £6,534; 1934, £6,708.

The imports here were relatively small and included only photographic materials, £3,179 (£2,727); and surgeons', opticians', and dentists' appliances, £3,355 (£3,981).

Drugs and Druggists' Wares.—1935, £19,436; 1934, £16,347.

The most important commodity included in this group is sodium chlorate, which was imported from Canada to the value of £9,720 (£9,957). The imports of acetic acid were valued at £1,751 (£198); those of calcium carbide at £2,096 (£2,098). In Canadian perfumery and toilet preparations the value was £3,102 (£1,558); many lines of this class are made or packed in New Zealand, and the future of the import trade is believed to lie in quality articles. The value of medicinal preparations and druggists' sundries was £2,767 (£2,177).

Vehicles.—1935, £826,428; 1934, £758,772.

This is the principal classification in Canada's shipments to New Zealand, at least so far as value is concerned. The largest individual item was passenger motor vehicles (including chassis), which came from Canada to the value of £439,239 as against £395,025 in 1934; total imports increased from £1,819,336 in 1934 to £2,723,210 in 1935, Canada's share of the trade declining from 21·7 per cent to 16·2 per cent. The United Kingdom was the outstanding supplier with £1,567,556 or 57·5 per cent (as against £960,455 or 52·9 per cent in 1934), while cars of United States origin were valued at £716,415 or 26·3 per cent (£463,856 or 25·5 per cent in 1934).

United Kingdom manufacturers have been very active and have advertised extensively in New Zealand. There has been a distinct tendency in this Dominion towards the light

car with low operating costs, and this has been responsible to a considerable extent for the alteration in the direction of the trade. The tariff in New Zealand applicable to motor vehicles is such that several makes of cars which previously came from Canada are now coming from the United States.

The position was more favourable in the case of lorries, trucks, vans, and buses (including chassis for these), as the total imports were valued at £484,221 as against £442,632 in 1934. Canada's share of this trade in 1935 was £110,587 or 22·8 per cent as against £60,019 or 13·6 per cent in 1934. Here again the United Kingdom was the principal supplier with £222,085 (£249,517); purchases from the United States amounted to £151,549 (£133,096).

In motor tires total imports were valued at £735,042 (£740,333); Canada supplied to the value of £254,625 or 34·6 per cent (as compared with £285,594 or 38·5 per cent). The United Kingdom supplied 60·5 per cent of the imports as against 56·5 per cent in 1934. There was little change in the imports of parts of motor vehicles (including parts of engines for such vehicles), which came from Canada to the value of £14,909 (£12,210), while under-carriage springs for vehicles showed a slight increase, the value of the trade being £1,550 (£914). Bicycles and parts thereof were imported from Canada to the extent of £4,575 (£3,489).

Miscellaneous.—1935, £64,149; 1934, £33,194.

There are few items specified under this heading, the principal being soap of all kinds to the value of £11,207 (£7,540); the total imports amounted to £59,459 (£46,344). Brushes, brushware, and brooms came from Canada to the extent of £4,914 (£2,049); roofing materials accounted for £2,569 (£2,254). Imports classed as being for the manufacture of goods in New Zealand and not included under a specific item were valued at £805 (£2,146). The only other entry was the very general one of "other items"; the value was £44,654 (£19,205).

SOUTH AFRICAN MAIZE OUTLOOK

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Cape Town, April 27, 1936.—South African maize production is of importance to Canadians interested in the distribution of cattle feed or the raising of stock, especially now that the Canada-United States Trade Agreement offers to the cattle industry a larger outlet for its production.

South African maize enters free of duty into Canada when for use as cattle feed. If there are only small quantities of South African maize offering for export, due to drought, as was the case in 1933 when total exports amounted to 4,320,000 bushels, Canadian interests must import from the United States and Argentina, in which case the product is dutiable at 20 per cent ad valorem. If large quantities of South African maize are exported as in 1925, when shipments reached 30,986,000 bushels, prices to Canadian importers should be lower.

Imports of Maize into Canada, Calendar Years 1930 to 1935

	1930	1931	1932	1933	1934	1935
			Thousands of Bushels			
British South Africa	1,077	3,603	3,929	1,032	1,870	5,150
Southern Rhodesia . . . . .	....	....	....	....	213	....
British East Africa . . . . .	....	....	....	....	....	1,385
Argentina	4,996	3,718	128	1,040	2,670	1,543
United States	4,986	2,208	3,155	3,310	3,371	445
Total	11,432	9,664	7,214	5,508	8,327	8,525

MAIZE PRODUCTION IN SOUTH AFRICA

The maize season in South Africa is usually considered as beginning from July 1—that is, the harvesting and exporting of the new crop of maize begins in July of each year.

The maize year 1933-34 was one of the largest on record, when production amounted to 80,316,000 bushels. This compares with maize production in the drought year of 1932-33 of 27,775,000 bushels.

South African production of maize is influenced largely by the periodical droughts to which the country is subject, and to locust pests. In recent years,

owing to the high home price of wheat, large areas formerly devoted to maize have been placed under wheat cultivation. An abundant rainfall during the early months of planting is necessary for a plentiful crop, although a dry planting season, if followed by heavy rains in February, undoes much of the damage of the earlier dry months.

PRICES

The price of maize in South Africa rises and falls in accordance with stocks on hand. In normal years prices increase as stocks become scarce towards the end of the crop season, and decrease as the new crop begins to arrive in July. In an abnormal year this is upset. For instance, during the severe drought of 1933, prices began to go up in January, 1933, and continued rising throughout the year, reaching a peak figure one year later, in January, 1934. Closely bound up with the price of maize in South Africa is certain legislation.

MAIZE CONTROL ACT

In 1931 the Union Government passed a Maize Control Act with the object of raising the inland price of maize by compelling maize traders to export a percentage of their purchases. Each year the Government announces the percentage of the year's production that is to be exported. It was 50 per cent last year. This means that every maize trader who bought (say) two bags of maize from a producer was forced by law to export one bag. Now, while there are thousands of maize traders, only a comparatively small number actually export. It follows therefore that some arrangement becomes necessary between the trader who purchases from the producer and the trader who does the actual exporting. It is the latter who is in actual possession of the proofs of export, but it is largely the former who requires the proof. The actual exporter, with proofs far in excess of his own requirements, transfers these to the traders who have purchased from producers but have done no exporting, but still have to show proof of having exported one bag of maize for every two bought. These proofs of export are known as quota certificates, have a marketable value and are sold. The price at which they are sold depends on the world price for maize. The price is theoretically the difference between that portion of the maize crop which has to be exported and that portion of the crop which is not exported, always keeping in mind the fact that maize is entitled to an export subsidy of 1s. per bag of 200 pounds. The compulsory export of maize keeps up the domestic price.

In 1935 the Minister of Agriculture went a step further, with the announcement that the Government would guarantee traders at the end of July, 1936, 3s. 6d. per bag of 200 pounds, later raised to 5s., on all surplus quota certificates covering proofs of export of maize over and above the required 50 per cent. The object was again to influence the inland price of maize, not so much to raise prices as to prevent them falling to world market levels.

This naturally had the effect of so raising the value of the quota certificates as to result in thousands of traders competing among themselves to obtain them. In order to obtain these surplus quota certificates, it became necessary to bid for maize from the farmers, thus raising the price.

The first year of this experiment has not yet been concluded, but the authorities are satisfied that it will have the desired effect of raising the inland price of maize at small cost to the Government. Actually it is an additional subsidy in a different form.

PRESENT CONDITIONS

There has been no general drought in South Africa this season, but there are certain sections in which the crop will be 50 per cent below last year's

production, and there are others for which the Government has had to purchase maize for the feeding of starving cattle, as well as natives.

Crop prospects for 1935-36 are estimated at 57,544,000 bushels. This compared with 66,885,000 bushels for the crop year 1934-35. There is some prospect that the present crop will be larger than the first estimate. However, the prospect of a smaller crop, coupled with the fact that the export quota certificates have helped to increase the amount of maize exported, has tended to create a situation of alarm in the Union. The result has been an extraordinary rise in price. Prices reached a figure of 15s. 9d. per bag of 200 pounds ex elevator during the early part of this month. This is the highest price for maize since April, 1927. A shortage before the new crop arrives is feared. This in turn has been attributed to the government department concerned over-estimating production, domestic consumption being higher than usual, and, as stated above, to the surplus export-quota-certificates guarantee.

The Maize Control Board has issued a statement denying that there is any fear of a shortage and attributing the rise in prices to something resembling a "corner" by the maize traders.

PRICE PROSPECTS

Meanwhile the Union Maize Control Board has recommended for the consideration of the Government that if maize prices show any further advance, the embargo on the importation of maize be lifted and that the operation of the Maize Control Act as regards distribution of maize be suspended. There are indications already, however, that maize prices have reached their peak, and with prospects of a slightly larger crop than that first estimated, prices will probably hold steady until June, when a definite decline may be expected. The Government has also announced the withdrawal of the guarantee of 5s. per bag on surplus export quota certificates.

ANTICIPATED SMALLER EXPORT SURPLUS

One conclusion that can be drawn from the present maize situation in the Union is that there will be practically no carry-over of stocks into the new crop year. With a lower crop in prospect, it is unlikely that the Government will specify a 50 per cent export quota for the coming year, as was the case last year. In other words, the amount of maize available for export from South Africa, from July 1 this year, will be definitely smaller than during the past season.

IRISH FREE STATE BUDGET, 1936-37

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, May 12, 1936.—The fifth Budget of the present Government of the Irish Free State affords evidence of the general economic recovery, returns from income and inland revenue taxes and from customs duties showing substantial increases. There are few minor changes or increases in the extent and incidence of new taxation. Of chief interest to Canada is the abolition as from June 13, 1936, of the import duty on newsprint of 5 per cent ad valorem, which was imposed last year for the first time. Government estimates for the current financial year show a surplus of £8,000, revenue being placed at £30,191,500 and expenditure at £30,183,500.

The remission last January of the customs duty on coal (under the agreement with the United Kingdom), the 50 per cent reduction of the levy on cattle and sheep last month, expansion of local beet sugar factory operations whereby sugar imports are considerably lessened, diminished revenue from sweepstakes, also the present state of unemployment, precluded any striking reduction in

taxation. Increased revenue from income tax, wines, beer, spirits, gasolene, motor taxes, betting, and tobacco during last year indicated greater purchasing power.

FINANCIAL SITUATION

State debt figures are somewhat involved because of the Land Annuities question, but the total at the end of last March amounted to £56,927,000. Against this there are Exchequer assets valued at £29,060,000, leaving a net national burden of £27,867,000, or roughly £8 per head of population.

Income from inland revenue taxes, i.e. mainly on income and property, increased by nearly £4,000,000 and produced the high percentage of 32 of the general tax revenue. Customs duties, despite the policy of restricting all imports which can be produced locally, provided £10,223,000 against an estimate of £9,607,000, and nearly £1,000,000 over the actual yield for the previous year.

Social services, including house construction and education, cost £11,638,000 last year as against £8,038,000 in 1931-32, and used up most of the increase of revenue from taxation.

NEW LEGISLATION

New legislation is promised to prevent certain leakage in income tax collection, as the present law precludes the Revenue Commissioners from recovering tax from anyone who has succeeded in escaping for six years his true assessment, while relief to taxpayers is granted in increased exemption of £10 per child and allowances for wear and tear of plant and machinery in certain industries.

To relieve unemployment, the Government is to put in hand a large public works program in conformity with the recommendations of an investigating committee; £2,500,000 is required to finance the current year's program. Local authorities, however, are expected to provide some £1,675,000 of the total. The sum of £600,000 will be spent on roads, including £100,000 to be paid from the Road Tax Fund and excluding minor road works usually included in relief schemes. The income from all motor vehicle taxes last year was £1,000,000, or £60,000 more than the estimate.

Improved cross-channel business and government aids to the cattle trade have so reduced the surplus of animals that the levy on cattle and sheep was cut in half, as from April 1, 1936, and is to be abolished on August 1 next. This reduction is estimated to cost some £95,500, in addition to the loss of £142,500 occasioned by the reduction beginning April 1. The total grant in relief of rates on agricultural land is £1,870,000.

As from August 1 next, both the customs and excise duties on sugar will be reduced by $\frac{1}{4}$ d. each per pound, at a cost to the Exchequer of £170,000. As the production of newsprint in the Saorstat is likely to be uneconomic for several years to come, the 5 per cent duty on this commodity is to be removed as before mentioned.

Entertainment taxes, at present estimates, yield some £250,000 per annum.

The duty on wool and wool waste other than flock, imposed last year, and amounting to 10s. per cental, is abolished as from to-day, as it is realized that these materials form the raw materials for the home manufacture of certain kinds of yarn.

ANGLO-ROUMANIAN PAYMENTS AGREEMENT

The Canadian Trade Commissioner in London writes that a third Payments Agreement has been concluded between the United Kingdom and Roumania. It is designed to make arrangements for the settlement of large sums still owing from Roumania to traders in the United Kingdom, and further establishes procedure for the payment of future trade debts.

“CANADA SHOP” IN GLASGOW

J. M. BOYER, ASSISTANT TRADE COMMISSIONER

Glasgow, May 14, 1936.—A “Canada Shop” was opened in Glasgow on April 23 and closed on May 9. The formal opening was performed by the Lord Provost of Glasgow in the presence of about 150 invited guests representative of importing and wholesale grocery firms, trade associations, municipal councils of neighbouring towns, and other public bodies. The President of the Glasgow Chamber of Commerce associated himself with the Lord Provost in the opening ceremony, over which the Canadian Trade Commissioner presided.

Seven importers participated actively in this event, exhibiting such products as canned soups, vegetables and fruits, cereal foods, and condiments. Other products shown comprised flour, cheese, bees’ honey, maple syrup, pipe tobacco, cigarettes, and confectionery. Samples of all these were offered for sale, except for a few articles which did not lend themselves to suitable sample packaging.

During the fifteen days in which the shop was open the total attendance was 10,350, and the total number of individual sales of samples was 14,022. Films were shown embracing such subjects as lumbering, fishing and hunting, and scenic views of Canadian cities, of prairie life, and of winter sports.

All Canadian food products should sell more readily in Glasgow and vicinity as a result of the advertising given them by this shop and the accompanying sale of samples.

FOREIGN TRADE OF INDIA IN 1935

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately 37 cents Canadian)

Calcutta, April 24, 1936.—A review of the import and export trade of India for the twelve months ended December 31, 1935, shows that in spite of shrinking world commerce and numerous quota systems and clearing arrangements imposed by other countries, India has been able to maintain a fairly steady recovery.

The grand total of India’s foreign trade in imports, exports and re-exports of private merchandise for the calendar year 1935 was valued at Rs.2,970,000,000 as against Rs.2,780,000,000 in 1934 and Rs.4,260,000,000 in the pre-war year 1913. Imports of private merchandise amounted to Rs.1,360,000,000, an increase of approximately Rs.100,000,000 on the corresponding figure for 1934, while exports of Indian merchandise advanced by Rs.90,000,000 to Rs.1,570,000,000, and re-exports of foreign merchandise by Rs.4,900,000.

Imports of treasure on private and government account showed a decrease of Rs.20,000,000 to Rs.30,000,000 as compared with 1934, and exports thereof fell by Rs.130,000,000 to Rs.550,000,000. Under imports the value of gold bullion fell by Rs.1,000,000 to Rs.5,200,000, while imports of silver decreased from Rs.38,700,000 to Rs.15,900,000. The value of currency notes imported in 1935 amounted to Rs.400,000 as compared with Rs.200,000 in the preceding year. Exports of gold amounted to Rs.440,000,000 as compared with Rs.610,000,000 in 1934 and Rs.510,000,000 in 1933.

The value of the total trade of India—that is, inclusive of merchandise and treasure—rose by Rs.30,000,000 as compared with 1934, but compared with the figures of 1913 imports of private merchandise in 1935 showed a falling off by Rs.470,000,000 or 26 per cent, and exports of Rs.840,000,000 or 35 per cent. In the year under review imports of private merchandise improved by 7·5 per cent, while the total import trade recorded an improvement of 6·2 per cent.

IMPORTS OF COMMODITIES

A comparison of the preceding year shows that imports of food, drink, and tobacco in 1935 fell by Rs.300,000 to Rs.135,500,000, due to smaller arrivals of rice, but this fall was partly set off by increased imports of provisions, fruits, vegetables, and liquors. Raw materials and articles mainly manufactured increased in 1935 by Rs.45,200,000, being valued at Rs.202,300,000, due mainly to larger imports of raw cotton and oils of all descriptions. Imports of articles wholly or mainly manufactured rose from Rs.943,600,000 to Rs.995,000,000, owing mainly to increases in the imports of cotton manufactures, chemicals, drugs and medicines, vehicles, electrical goods, machinery, metals, and paper; but decreases were registered under silk and woollen manufactures. Imports of living animals fell by Rs.1,100,000 and those of postal articles by Rs.500,000.

India's principal and most valuable import trade is perhaps in cotton piece-goods of various descriptions. In 1935 imports, exclusive of fents—that is short lengths—amounted to 981,000,000 yards (Rs.164,900,000), an increase of 108,000,000 yards in quantity and of Rs.6,500,000 in value as compared with 1934. The principal sources of supply are the United Kingdom and Japan.

Imports of iron and steel amounted to 398,000 tons (Rs.67,000,000) as compared with 348,000 tons (Rs.60,200,000) in 1934. Imports of machinery and millwork showed an increase of Rs.16,100,000, amounting to Rs.133,600,000, although there was a decline of Rs.3,500,000 under sugar machinery imported. Jute machinery and electrical machinery advanced from Rs.4,200,000 and Rs.15,500,000 to Rs.10,400,000 and Rs.19,300,000 respectively.

There was an increase in imports of kerosene oil by 4,000,000 gallons in quantity and Rs.1,500,000 in value, due largely to greater imports from Iran. Borneo was credited with 6,000,000 gallons of kerosene oil, a commodity which she had not supplied in 1933 and 1934, while Java's share was almost negligible. Supplies from Roumania, Sumatra, and the United States showed decreases, but imports from the U.S.S.R. rose slightly.

The total number of motor cars imported was larger by 207 in 1935 and reached the figure of 13,493, of which the United Kingdom, the United States, and Canada contributed 7,230, 3,518, and 2,064 as compared with 5,284, 5,033, and 2,567 respectively in the preceding year.

From the Government of India trade statistics it is difficult to select imports of particular interest to Canadian manufacturers and exporters. The Statistical Department of the Government of India do not record a commodity imported from a particular country unless the imports in a year are valued at Rs.10,000 or more. Many Canadian products entering the Indian market are not always consigned direct from a Canadian port, so that they are not directly credited to Canada as a source of supply. Canadian manufacturers interested in the Indian market should refer to the annual returns published by the Dominion Bureau of Statistics.

INDUSTRIAL AND AGRICULTURAL EXHIBITION, LUCKNOW, INDIA, 1936-37

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, April 17, 1936.—The Government of the United Provinces of India (Agra and Oudh) have undertaken to organize on a large scale an exhibition to be held from December 5, 1936, to February 4, 1937, at Lucknow, the capital of the provinces.

The proposed event is intended to be more or less an industrial and agricultural machinery exhibition, as these provinces are largely agricultural and the centre of the sugar-cane growing industry. The Provincial Government

authorities are desirous of having exhibits from overseas manufacturers of agricultural machinery, of the large-scale as well as of the smaller types, in order to place before industrialists, as well as the general public, the latest improvements. India has progressed rapidly from a purely agricultural country to one which is developing her own secondary industries from the abundant raw materials at hand, and there is a great amount of idle capital seeking investment. The sugar industry is only one of many which has made rapid strides and has attracted millions of rupees in investment in the last five years.

The dairying industry is also one which is tending to develop along modern lines, and, taken in conjunction with the hydro-electric schemes that are rapidly invading these provinces and the Punjab, new markets are constantly presenting themselves.

It has frequently been brought to the attention of Canadian manufacturers that the best method of selling machinery in India is by practical demonstration. This exhibition should prove an excellent opportunity for manufacturers who are seriously interested in India as a potential market.

Manufacturers already represented in this country are strongly advised to arrange with their agents or representatives to display and demonstrate their appliances. For firms who are not at present represented, this office is in a position to place them in touch with a reliable organization specializing in machinery which is capable of display and demonstration.

Types suitable for display include agricultural machinery generally—ploughs, disc harrows, seeders and combines suitable for working in conjunction with tractors, and light and cheaper types for the use of the small cultivator; small threshing machines operated by small engines and by hand, as well as grain separators, chaff cutters and crushers; and dairying machinery and appliances such as cream separators both hand and power, as well as chicken incubators and poultry-raising appliances from the small domestic types to the large commercial sizes. In all cases, illustrated literature on a liberal scale should be supplied, and if in a vernacular language so much the better. Price information on a c.i.f. basis should be readily available.

Full details concerning this proposed exhibition may be obtained either from the Department of Trade and Commerce, Ottawa; the office of the Canadian Trade Commissioner in Calcutta; or the Director of Industries and Secretary, United Provinces Industrial and Agricultural Exhibition, Lucknow, India. It might be mentioned that the Government of the United Provinces in 1935 exhibited products of the provinces at the Canadian National Exhibition, Toronto, and they in turn are anxious to have exhibits of Canadian manufacturers.

THIRD ALL-INDIA WHEAT FORECAST, 1935-36

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, May 7, 1936.—Reports received from the wheat-growing areas of India, including the native states, comprising approximately 98 per cent of the total wheat acreage of the country, show that the condition of the crop as generally prevailing in the latter half of March was, on the whole, fairly good.

The total area reported under cultivation was 33,646,000 acres as against 33,955,000 acres at the corresponding time of the previous year, a decrease of 1 per cent. The total yield is now estimated at 9,698,000 long tons (362,058,662 bushels) as compared with 10,144,000 tons (378,709,333 bushels), the corresponding revised estimate of the previous year, or a decrease of 4 per cent.

In the Punjab, which produces 31·8 per cent of the total crop, area at present reported under cultivation is 10,221,000 acres, of which 1,302,000 acres

are in the native states, as against 10,037,000 acres, the corresponding estimate of the previous year.

The United Provinces, credited with 23·1 per cent of the total cultivable area, are reported to have 7,664,000 acres under wheat compared with 7,890,000 acres at this time last year. In the Central Provinces and Berar, which are responsible for 10 per cent of the wheat-growing area, the estimated area now under wheat is 3,521,000 acres, which is somewhat below that of last year.

The above areas comprise the three major wheat-growing districts of India and include certain native states within the territories and give a fair idea as to general conditions.

For the twelve months ended March 31 last, 9,600 tons (358,400 bushels) of wheat were exported, of which 7,000 tons (261,333 bushels) went to the United Kingdom, the balance to unspecified countries, mostly those bordering on India. Imports of wheat amounted to 13,000 tons (485,333 bushels) as compared with 7,000 tons (261,333 bushels) in the corresponding period of 1934-35 and 18,000 tons (672,000 bushels) in 1933-34.

MANCHURIAN ECONOMIC CONDITIONS IN 1935

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Tientsin, April 15, 1936.—Manchuria experienced a comparatively good business year in 1935 due mainly to a continuance, although in smaller measure than previously, of the flow of Japanese capital into the country. Further important developments occurred in the country's transportation system, railways, roads, and harbours; new agricultural areas were opened up; mining was carried on to a greater extent; the exploitation of its timber resources was expanded; and a noteworthy increase occurred in the number and kind of its industrial establishments.

An outstanding event was the unification and simplification of the currency and its pegging at par with the Japanese yen. Postal agreements were concluded with China and Japan covering not only the direct handling of letters and parcels but also of money orders. Further pacification of the turbulent sections of the population and a notable reduction in banditry were achieved during the year. A consolidation and extension of the influence of the present administration, and much smoother functioning of government organizations, took place, implying a further settling down into the mould of the new order.

On the whole, conditions in this territory during last year can be said to have been satisfactory in spite of the drop in exports as compared to 1934.

EXPORTS AND IMPORTS

Preliminary figures recently published show a total trade for 1935 amounting to 1,025,227,112 Manchu yuan or dollars, of an exchange value averaging \$0.30 Canadian currency. The present value of the yuan is the same as the Japanese yen, which is about \$0.29. The above total shows a decrease in value as compared to 1934 of almost 16 million yuan, which is almost doubly accounted for by the decrease in the export value of the principal field crop, soya beans. Of the total trade Japan, including Korea, accounted for 60 per cent, a notable increase over the previous year, evidence of the continually increasing favourable position of Japan in that market. As well, total trade increased comparatively moderately with Great Britain, Belgium, and Holland, and slightly with Hong-kong, British India, France, and Italy. Comparatively large decreases took place in the trade with China, Germany, Russia, and Netherlands India and a slight decrease in that with the United States.

Total exports amounted to 421 million Manchu yuan, a decrease of over 27 million, more than accounted for, as previously stated, by reduced exports of soya beans, which were valued at 130 million yuan as compared with some 160 millions in 1934. The 1935 figure represents about 31 per cent of all exports, from which the importance of soya beans in Manchurian economy may be gauged. The export share of Japan and Korea combined amounted to 51 per cent.

Total imports were valued at 604 million yuan as compared with some 394 millions for 1934. Vehicles and vessels, machines and accessories, silk cloth, and unbleached cotton yarn were those items showing the largest increases, and these combined more than offset noticeable losses in other categories. Japan and Korea combined accounted for 75 per cent of the total imports as compared with about 69 per cent in the previous year.

BALANCE OF TRADE

As will be noted, Manchuria's unfavourable balance of trade rose noticeably during the year under review. This was due mainly to the poor return from the soya bean crop, on the one hand, and to the continued large capital expenditure in construction projects, factory equipment and plant, and vessels and rolling stock, which have been a feature of recent years. There is, however, definite evidence that such capital expenditure during the present year will be on a noticeably smaller scale, and it is therefore expected that imports for 1936 will also be lower, which, with improved exports, will help considerably to redress the adverse trade balance.

AGRICULTURE

The harvesting weather experienced, which was unprecedentedly cold and rainy, was mainly responsible for the poor showing of the main crop, soya beans, in the export figures. Large quantities of what were termed "wet beans" were rejected for export and their disposal presented a troublesome problem. Early in the present year a subsidy to the oil mills was mooted to allow these rejected beans to be turned into oil and oilcake and exported in that form in order that a fair return upon them might be realized by the farmers and produce dealers concerned. The total weight of "wet beans" available was estimated then at 700,000 metric tons.

The output of perilla seeds, estimated at 150,000 tons, almost wholly exported to Japan, either in the natural state or as oil, has increased rapidly since 1933, when the production reached some 35,000 tons only.

The soya by-products, cake and oil, also had a very successful year, as did peanuts, sesame, and linseed. Decreases in production, however, were shown in other types of beans, kaoliang, millet, maize, and buckwheat.

STATE ASSISTANCE

Because of the importance of agriculture, in which 85 per cent of the population of Manchuria is engaged, efforts are being made by the Government to open up new agricultural areas and supply them with rail and other types of transportation; to increase the production of crops suitable to the soil and climate by making available better seed and expert advice, and to provide better marketing facilities for all sections of the country. To this end various experimental farms have been established at strategic spots, and efforts will be concentrated on such crops as wheat, cotton, hemp, tobacco, wild silk, sugar beets, fruits, and vegetables.

FORESTRY

The extensive stands of commercial timber in Manchuria were further developed in 1935. The grant of new timber concessions during the year was

discontinued and a classification of timber preserves into three categories, State, public, and private, was begun. Their preservation and rational management and exploitation under official direction are given as the reasons for this departure. Some 350 species of trees are found in the territory, the afforested area being estimated to be in excess of 35 million hectares containing some two and a half million cubic metres of timber.

Seven main and branch forestry offices and fifteen forestry stations at strategic points were established during the past two years. A five-year program of forest investigation by aerial photography is being worked out and new timber laws and regulations are being prepared. A plan to establish four pulp-manufacturing plants is expected to bear fruit shortly with the opening of the first of these this month.

STOCK FARMING

Heretofore Manchuria has not been an important stock-farming country, in spite of its suitability, climatically and otherwise. However, plans have been formulated whereby the animal population will not only be largely increased in numbers but will be greatly improved in quality.

The administration has undertaken to make available superior imported breeding animals, establish live-stock breeding farms and training schools for veterinary surgeons, supervise animal health and offer anti-epidemic facilities, create better pastures, and generally offer expert advice. A plan is under way to establish state sheep farms whereby some 15 million sheep of improved breed will be available at the end of five years. Emphasis will be laid on the production of high-grade wool animals.

MINING

A large number of minerals in commercial quantities are found in the territory, the most important of these being coal, iron, alluvial gold, magnesite, and oil shale. New mining laws and regulations were promulgated in September, which gave the state monopoly control over most of these resources. Semi-official companies have already been formed to exploit the oil, coal, and gold resources, ostensibly to secure rational management and exploitation of these deposits. Private enterprise in certain areas and in certain products will be restricted unless contracts are entered into with these semi-official companies covering the disposal of private output. Research institutes, laboratories, and refineries are planned by the Government as an aid to both state and private development of the mineral industries.

FISHERIES

The 1935 production of fish products was valued at about \$2,500,000 Canadian currency. Manchuria's fishing industry is still in a somewhat primitive stage of development although the Yellow Sea and the Gulf of Pechili annually produce considerable quantities of edible varieties of various kinds. The main industry, however, is located in Japanese and Siberian waters.

In order to increase the importance of this industry as a national asset, the administration has made arrangements to disseminate expert advice on fishing methods and the use of modern equipment. For this purpose fisheries experimental stations will be established in the near future, where artificial fish culture will be carried on and natural breeding supervised and from where commercial production can be regulated.

MANUFACTURING

With one or two industries excepted, Manchuria has always been backward from a manufacturing point of view, despite extensive ore, fuel, and labour resources. Lack of capital, shortage of modern scientific equipment and technical knowledge, coupled with political uncertainty and monetary instability,

were the main deterrent factors. In recent years, however, considerable progress has been made in flour-milling, oil-refining, wild-silk reeling, cotton-spinning, tanning, and in the production of coal, various ores, timber, paper, soap, matches, glass, tiles, bricks, electricity, and gas.

Most of these industries improved their positions last year. Government aid and direction is either being accorded them or is already projected in some form. Flour-milling, and the cotton, hemp, and woollen industries, are expected to benefit considerably from the present program for the increased cultivation and the improvement of the agricultural products which are the bases of these industries. The chemical and light metal industries will also be developed, and increased production this year is anticipated in salt, soda, sulphate of ammonia, and other allied fertilizers, and in oil shale, cement, alcohol, pulp, and similar products.

Early in the year all the electrical and gas undertakings in the country were amalgamated under the Manchurian Electrical Enterprises Co. Ltd. Technical uniformity in all branches—among other things, the frequency has been fixed at 50 cycles—is gradually being introduced throughout the whole country, and legislation for the control and regulation of factories is expected to be introduced this year.

BANKING AND FINANCE

Mention has already been made of an outstanding financial event of last year, the unification of the currency. Before the founding of the Central Bank of Manchu, it is stated there were 15 kinds of bank-notes, of 136 denominations, in circulation in the country. In previous years the issue of paper money, which almost invariably became more or less worthless subsequently, was the favourite method of finance of those in authority.

The agricultural population, 85 per cent of the total, was forced to accept this currency for its products. In due course the depreciated issue was bought in by some new issue, with the result that domestic trade, except in the main centres, had finally to depend almost wholly on a system of barter. This was also induced by the lack of transportation facilities and the absence of any particularly complex industrial development. Since 1932 the Central Bank has bought in and liquidated practically the whole of these old note issues, replacing them by a new currency, the Manchu yuan, constituted by 23.91 grams of pure silver. This monetary unit is now pegged to the Japanese yen.

The financial stability thus achieved has had and will have a marked effect in instilling confidence into producers and traders alike and in furthering both the internal and external commercial development of the country. Various credit institutions have been established already, and others are projected, for the issue of long-term low-interest loans to farmers and small industrialists.

Manchurian currency in circulation at the end of December was valued at some 178 million yuan, about 160 millions of this being notes and the remainder coins. This total had decreased slightly by April. In addition Japanese currency, Bank of Chosen notes amounting to some 45 or 50 millions, is in circulation in Manchuria, the Kwantung Leased Territory, and the Railway Zone. These will shortly be withdrawn and replaced by Central Bank notes and coins.

It is expected that the total currency issue on July 1 will reach some 250 million Manchu yuan. Central Bank profits for the last half of the year totalled 1,352,658 Manchu yuan, and a 6 per cent dividend was declared. At the end of December deposits amounted to 151,934,000 yuan, showing a threefold increase over the previous year.

POSTS, TELEPHONES, AND TELEGRAPHS

The postal agreements arranged with China and Japan have been mentioned previously. With the abolition of Japanese extra-territorial rights, which comes into effect on July 1, 1936, the Manchurian Government is expected to take over

the mail and postal insurance services in the Railway Zone now administered by the Japanese. At the end of December postal savings, by 72,675 depositors, totalled 2,235,088 Manchu yuan, but by the end of March of this year these had increased to 87,587 depositors and 3,374,059 yuan respectively.

The telephone and telegraph undertakings, which in 1933 were consolidated under control of the Manchuria Telephone and Telegraph Company, made further progress during the year, various improvements in services having been made, including a wireless telephone service with Japan and a wireless telegraph service with France. Late in 1934 a 100-kilowatt broadcasting station was opened in Hsinking, the capital.

CONSTRUCTION

During the past two or three years there has been a building boom in Manchuria consequent upon the heavy flow of Japanese capital into that territory. For twenty years previous to 1932 the country always had had a favourable balance of trade. Since then imports have always exceeded exports, due mainly to the heavy importation of building and construction materials, railway and harbour equipment and supplies, road and bridge material, and, to a smaller extent, factory plant.

The development of the country's resources, on a planned scheme, under Government supervision has necessitated heavy initial capital expenditure on such items, and unprecedented building activity has naturally been a feature of recent Manchurian economic life. There are still immense possibilities in the building industry; but recent reports indicate that construction reached its temporary peak at the end of 1935. The present year is not expected to be of such importance in this category as have the years since 1932.

It is reported that in Hsinking alone last year there were carried out 2,504 cases of engineering and construction work at a total expenditure of some 41 million yen, of which about 23 million yen was for private account, the remainder being at Government expense. Civilian buildings totalled 1,301 and Government 1,203. Other construction undertaken by the administration includes trunk and branch streets, sidewalks, underground telephone, telegraph, light and power systems, sewer systems, water-works and reservoirs, parks, botanical gardens and zoo, and golf links. Some of the notable buildings erected were for use as a national museum, public library, and public auditorium. In 1931 Hsinking had a population of 130,000, which has to-day grown to 240,000. By 1937 one of 300,000 is expected. Building, however, has not been confined to the capital, but has been spread over the other strategic points in the country in relatively smaller measure.

TRANSPORTATION

Probably railways and harbours as a class received the greatest relative amount of building attention during this and previous years. At the end of 1931 the total railway mileage in Manchuria (including the Kwantung Leased Territory) was 6,252 kilometres. The present mileage is 8,440 kilometres, an increase of 2,188 kilometres, all of which has been opened for traffic since October, 1933.

These new railways have been designed for both economic and defence purposes. The end of 1933 saw the completion of the first railway plan, and the present year is not expected to show much new railway construction. However, out of a total budget of 155 million yen for the South Manchurian Railway, some 49 millions are set aside for new lines, representing a decrease of 60 per cent as compared to 1933. Some 35 millions is also marked for the improvement of the Manchurian State lines, which are administered by the South Manchurian Railway. The tonnage of goods carried by this line in the fiscal year 1935-36 decreased somewhat due to the poor soya bean crop, although its income

showed a small increase to total some 135 million yen. Net profits for this period for the railway, including its many subsidiary enterprises, totalled some 30 million yen. South Manchurian Railway employees since 1932 have increased from 32,152 to 52,609.

Railway receipts of the Manchurian State Railways for the fiscal year 1935-36 amounted to about 97 million yuan, the highest since 1933. Including ground rentals, these receipts would be in the neighbourhood of about 110 million yuan. Goods carried totalled 15 million metric tons, an increase of over 3 million as compared with the previous fiscal year.

Consistent building of state highways and branch roads has been carried on in recent years; the total length of these in operation is some 6,500 kilometres. To date, a sum in the neighbourhood of 16 million yuan has been spent in construction of this kind. The present plan calls for the completion of 60,000 kilometres of new highways during the next ten years. About 90 bus lines now operate along strategic routes, of which about 30 are state-owned. Some of these, which at present are unprofitable, are designed to open up new areas.

New air routes were also opened up during the year under review. The total length of those in operation, 13 in all, is 4,715 kilometres, and all of the main centres in the country are now connected by this means of transport.

TRADE OF HONGKONG IN 1935

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

Hongkong, April 21, 1936.—In comparing the trade of Hongkong for different periods, it is important to bear in mind that the values given in terms of Hongkong dollars are not necessarily a true measure of the quantity or volume of merchandise involved.

From the statistics provided in the following pages, it will be seen that in terms of local currency the trade of Hongkong shows a drastic decline. The manner in which statistical information is recorded by the Hongkong Statistical Branch does not permit of a comparison of trade by volume, otherwise a more optimistic presentation of this trade would be possible.

Further, the highly fluctuating nature of the Hongkong dollar in terms of the currencies of the countries contributing to the trade of Hongkong render the task of presenting a true picture of her trade increasingly difficult. This statement may be better understood when note is taken of the average exchange rates of this unit in terms of United States currency for the past five years, these being 47·5 in 1935, 38·2 in 1934, 28·7 in 1933, 23 in 1932, and 23·6 in 1931.

This feature of the trade of Hongkong has been emphasized in order to preclude the possibility of a misunderstanding in interpreting the Hongkong dollar figures given in this report, and with this same object in view, United States dollar equivalents are provided in the general analysis of the trade of Hongkong.

An additional point which must also be taken into consideration in reviewing the trade of Hongkong is the fact that the colony is primarily a distributing centre, and in consequence the bulk of both declared imports and declared exports are subsequently recorded as exports and imports respectively.

Hongkong's Total Imports and Exports, 1934 and 1935

	Imports	Exports	Total Trade	Excess of Imports
		(000 Omitted)		
1934..	HK\$415,919 (U.S.\$158,881)	HK\$325,105 (U.S.\$124,190)	HK\$741,023 (U.S.\$283,071)	HK\$90,814 (U.S.\$34,691)
1935..	HK\$364,990 (U.S.\$173,370)	HK\$271,034 (U.S.\$128,741)	HK\$636,023 (U.S.\$302,111)	HK\$93,956 (U.S.\$44,629)

ANALYSIS OF THE TRADE OF HONGKONG, 1935

The total trade of Hongkong during the year ended December 31, 1935, was valued at HK\$636,023,152 (U.S.\$302,110,998) compared with a similar trade in 1934 valued at HK\$741,023,175 (U.S.\$283,070,731). The decrease in total commodity trade in 1935, compared with 1934, amounted to HK\$105,000,023 or 14 per cent (increase of U.S.\$19,040,267).

Imports were valued at HK\$364,989,519 (U.S.\$173,370,022) compared with HK\$415,918,522 (U.S.\$158,880,754) in 1934. The decrease in the imports in 1935, compared with 1934, amounted to HK\$50,929,003 or 12 per cent (increase of U.S.\$14,489,268).

Exports were valued at HK\$271,033,633 (U.S.\$128,740,976) compared with a similar trade in 1934 valued at HK\$325,104,653 (U.S.\$124,189,977). The decrease in 1935, compared with 1934, amounted to HK\$54,071,020 or 16 per cent (increase of U.S.\$4,550,999).

For the year ended December 31, 1935, Hongkong's visible merchandise trade balance was unfavourable to the extent of HK\$93,955,886 (U.S.\$44,629,046) compared with an unfavourable balance in 1934 of HK\$90,813,869 (U.S.\$34,690,777).

Imports into Hongkong by Principal Countries, 1934 and 1935

	1934 HK\$	1935 HK\$		1934 HK\$	1935 HK\$
	Figures in Thousands			Figures in Thousands	
United Kingdom.. . . .	32,542	23,897	Japan.. . . .	36,699	43,132
Australia.. . . .	6,698	8,419	French Indo-China.. . . .	26,245	32,573
British Malaya.. . . .	5,496	6,215	Netherlands East Indies..	34,675	22,576
India.. . . .	8,276	4,440	United States.. . . .	29,343	26,462
Canada.. . . .	4,523	4,009	Siam.. . . .	33,464	20,535
North China.. . . .	74,015	61,916	Germany.. . . .	13,537	16,346
South China.. . . .	65,118	55,493	Belgium.. . . .	4,880	4,785
Middle China.. . . .	7,355	5,905			

The percentage of the total imports into Hongkong in 1935 credited to each of the principal supplying countries was as follows, percentages for 1934 being shown in parentheses: China, 33·8 (35·2); Japan, 11·8 (8·8); Netherlands East Indies, 6·2 (8·3); United Kingdom, 6·5 (7·8); United States, 7·3 (7·1); French Indo-China, 8·9 (6·3); Siam, 5·6 (8); Germany, 4·5 (3·3); British Malaya, 1·7 (1·3); India, 1·2 (2); Australia, 2·3 (1·6); Belgium, 1·3 (1·2); Canada, 1·1 (1).

Exports from Hongkong by Principal Countries, 1934 and 1935

	1934 HK\$	1935 HK\$		1934 HK\$	1935 HK\$
	Figures in Thousands			Figures in Thousands	
British Malaya.. . . .	24,765	17,006	French Indo-China.. . . .	24,095	14,459
United Kingdom.. . . .	6,363	7,553	Macao.. . . .	17,364	13,294
India.. . . .	4,233	3,416	Japan.. . . .	11,447	11,497
Canada.. . . .	1,496	1,462	Siam.. . . .	14,664	10,441
South China.. . . .	99,317	95,244	Kwongchow.. . . .	8,018	9,333
North China.. . . .	36,778	20,143	Netherlands East Indies..	8,506	6,193
Middle China.. . . .	20,149	17,417	Philippine Islands.. . . .	5,291	5,012
United States.. . . .	18,573	21,248			

The percentage of the total exports shipped to each of the chief destinations in 1935 was as follows, percentages for 1934 being shown in parentheses: China, 49 (48); British Malaya, 6·3 (7·6); French Indo-China, 5·3 (7·4); Japan, 4·2 (3·5); Macao, 4·9 (5·3); Siam, 3·9 (4·5); United States, 7·8 (5·7); Kwongchow, 3·4 (2·5); United Kingdom, 2·7 (1·9); Netherlands East Indies, 2·3 (2·6); Philippine Islands, 1·8 (1·6); India, 1·3 (1·3); Canada, 0·5 (0·4).

ANALYSIS OF HONGKONG'S TRADE BY MAIN GROUPS

The decrease in the imports into Hongkong in 1935, as compared with 1934, amounting to HK\$50,929,003, or 12 per cent, occurred in sixteen of the twenty-three main groups, while the decrease in Hongkong's exports, amounting to HK\$54,071,020, or 16 per cent, occurred in nineteen of the twenty-three main groups.

Following is a list of the principal commodities imported into Hongkong in 1935:—

Commodities	1935 HK\$	1934 HK\$	Commodities	1935 HK\$	1934 HK\$
Rice.. . . .	33,030,277	44,368,356	Artificial silk fancies	2,496,257	421,574
China tin	16,629,343	16,603,971	Peanut oil.. . . .	2,420,116	3,109,626
Cotton yarn	16,543,167	22,553,548	Vermicelli and noodles	2,404,531	2,956,143
Sugar	9,738,220	19,179,489	Eggs.. . . .	2,395,532	2,385,365
Kerosene	7,817,055	6,890,223	Aniline dyes	2,369,315	2,091,969
Coal.. . . .	7,630,890	8,328,429	Suitings and tweeds..	2,362,376	1,381,731
Wheat flour.. . . .	7,549,452	6,569,341	Raw tobacco	2,345,122	2,856,871
Fuel oil.. . . .	7,117,075	8,365,256	Dried vegetables.. . .	2,325,671	2,965,210
Pigs.. . . .	5,484,603	6,101,136	Mushrooms.. . . .	2,189,542	2,196,513
Fish and fishery products.. . . .	5,474,064	5,642,883	Ginseng.. . . .	2,174,485	3,982,734
Drills, ducks, canvas and jeans	5,382,848	4,684,902	Cattle	2,170,912	2,782,759
Fruits	4,231,270	4,157,225	Live game and poultry	2,093,615	2,357,108
Silk piece-goods	4,227,171	6,735,395	Hides	2,066,339	2,088,718
Wood oil	4,027,935	3,637,314	Paraffin wax	2,060,107	2,175,963
Iron and steel bars..	3,987,078	2,775,646	Condensed milk	2,053,538	2,536,203
Plain cottons.. . . .	3,917,947	3,761,228	Wolframite.. . . .	2,051,340	1,044,482
Gasolene.. . . .	3,736,832	5,041,542	Paperware.. . . .	1,835,639	1,819,130
Sulphate of ammonia	3,207,332	1,809,072	Firewood	1,631,051	1,853,439
Beans	3,133,360	3,046,157	Dried fruits	1,565,703	2,122,520
Bags.. . . .	3,129,396	7,116,176	Matches and match-making materials ..	1,390,166	2,083,537
Printing paper	3,085,600	3,114,312	Leather.. . . .	1,309,503	3,309,529
Cigarettes	2,925,782	2,585,167	Lubricating oil	1,275,248	1,541,317
Tea	2,651,313	3,134,747	Cement	1,187,753	1,398,040
Tin plates	2,533,093	3,346,582	Spirits	1,141,068	1,460,474
			Motor cars.. . . .	1,104,725	1,484,972

The principal commodities exported from Hongkong in 1935 were as follows:—

Commodities	1935 HK\$	1934 HK\$	Commodities	1935 HK\$	1934 HK\$
Rice.. . . .	24,049,625	33,814,536	Singlets.. . . .	2,312,443	3,021,096
China tin	18,059,402	19,911,751	Dried vegetables.. . .	2,246,360	3,017,120
Cotton yarn	13,874,157	19,691,662	Tea	2,265,067	2,944,340
Sugar	8,457,174	17,510,731	Cigarettes	1,931,073	2,670,430
Wheat flour	5,383,667	4,781,969	Peanut oil	1,946,794	1,966,184
Plain cottons	5,157,913	5,510,866	Hides	1,824,057	1,313,111
Fish and fishery products	4,869,959	4,878,776	Fruits	1,634,314	2,014,647
Wood oil	4,515,384	3,467,587	Lard	1,617,009	622,142
Sulphate of ammonia	4,364,852	3,119,528	Kerosene	1,574,841	1,515,568
Drills, ducks, canvas and jeans	4,178,642	3,149,675	Tinplates	1,563,110	2,170,740
Fuel oil.. . . .	4,094,085	5,268,755	Electric flashlights ..	1,546,615	2,023,251
Gasolene.. . . .	4,082,891	4,271,088	Paperware.. . . .	1,465,510	1,773,158
Bags.. . . .	3,432,521	7,772,847	Aniline dyes	1,397,029	1,194,888
Diesel oil	3,205,973	2,765,776	Paraffin wax	1,344,351	2,210,531
Iron and steel bars ..	3,015,375	2,805,149	Dried fruits	1,343,243	1,955,579
Silk piece-goods	2,854,551	3,947,090	Mushrooms	1,257,141	1,277,370
Wolframite	2,590,197	2,847,042	Preserved ginger.. . .	1,203,701	1,311,803
Boots and shoes (rubber)	2,538,311	3,586,919	Lubricating oil.. . . .	1,136,792	1,040,390
Vermicelli and noodles	2,461,860	2,925,466	Machine tools.. . . .	1,151,823	75,767
			Condensed milk	1,136,729	1,633,552
			Artificial indigo dyes.	1,083,089	773,389

The list of commodities given above are for the greater part made up of imports into Hongkong which were subsequently re-exported, and the only items which include bona fide produce of Hongkong are: sugar, boots and shoes, vermicelli and noodles, singlets, electric flashlights, paperware, and preserved ginger.

HONGKONG'S TRADE WITH CHINA

Hongkong's total trade with China, amounting to HK\$256,118,000 and representing 40 per cent of the total trade of Hongkong, was HK\$46,614,000 less than for 1934. Imports from China during the year 1935, amounting to HK\$123,314,000 and representing 33 per cent of the total import trade of Hongkong, were HK\$23,174,000 less than for the year 1934. Hongkong's total exports to China during the year 1935, amounting to HK\$132,804,000 and representing 49 per cent of the total export trade, were HK\$23,440,000 less than for the year 1934.

HONGKONG'S TRADE WITH THE BRITISH EMPIRE

Hongkong's trade with the British Empire, amounting to HK\$88,539,000 in 1935, representing 14 per cent of the total trade of Hongkong, was HK\$19,021,000 less than for 1934. Imports were valued at HK\$50,879,000, representing 14 per cent of the total import trade and were HK\$10,617,000 less than for 1934. Exports to British Empire countries, amounting to HK\$37,660,000 and representing 14 per cent of the total exports, were HK\$8,404,000 less than for 1934.

The United Kingdom was credited with imports valued at HK\$23,897,000 during 1935 compared with HK\$32,542,000 in 1934; Australia contributed imports to a value of HK\$8,419,000 as against HK\$698,000; British Malaya, HK\$6,215,000 as against HK\$5,496,000; and Canada, HK\$4,009,000 compared with HK\$4,523,000.

The main groups under which imports from the Dominion were recorded during 1935 were: foodstuffs and provisions, HK\$2,041,412 (HK\$2,430,505 in 1934); paper and paperware, HK\$626,130 (HK\$526,768); vehicles, HK\$359,944 (HK\$645,487); manures, HK\$312,000 (HK\$1,623); building materials HK\$240,597 (HK\$225,554); and metals, HK\$146,822 (HK\$401,140).

Exports to Canada for 1935 were valued at HK\$1,462,000 as against HK\$1,496,000 for 1934. These were recorded under the following main groups: foodstuffs and provisions, HK\$987,523 (HK\$1,034,166 for 1934); Chinese medicines, HK\$140,873 (HK\$168,504); and oils and fats, HK\$119,605 (HK\$64,814).

HONGKONG'S TRADE WITH OTHER COUNTRIES

Hongkong's total trade with countries other than those within the British Empire, amounting to HK\$291,366,000, representing 46 per cent of the total trade, was HK\$39,367,000 less than for 1934. Imports were valued at HK\$190,796,000, representing 53 per cent of total imports, and were HK\$17,139,000 less than for 1934; while imports amounted to HK\$100,560,000, representing 37 per cent of the total exports, and were HK\$22,228,000 less than for the preceding year.

TRADE OF THE ZANZIBAR PROTECTORATE IN 1935

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, April 15, 1936.—There was a considerable increase in the trade of Zanzibar during 1935 over that of 1934. Imports, excluding bullion and specie, increased by 29·79 per cent in value and 33·93 per cent in weight. Exports increased by 15·15 per cent in value and declined by 2·56 per cent in volume.

On December 16, 1935, by decree the standard coin of the currency of the protectorate was changed from that of the rupee to the British East African shilling. For the purpose of this report, however, as the returns have been issued in rupees, the rate of 33 cents Canadian to one rupee has been used for conversion purposes.

The total value of the external trade of the protectorate in 1935 amounted to \$8,316,000 as compared with \$6,732,000 in 1934. Imports accounted for

\$4,290,000 and exports for \$4,026,000, including bullion and specie. When bullion and specie are excluded, imports amounted to \$4,026,000 and exports to \$3,762,000, or a total of \$7,788,000, showing a gain on total trade, excluding bullion and specie, of 22.28 per cent over the 1934 figure of \$6,369,000, when imports amounted to \$3,102,000 and exports to \$3,267,000.

PERCENTAGES BY PRINCIPAL COUNTRIES OF ORIGIN AND DESTINATION

The percentages of imports from and exports to principal countries of origin and destination during the years 1934 and 1935 were:—

	1934	1935
India and Burma	26.75	24.00
Dutch East Indies	16.10	14.11
Great Britain and Northern Ireland	12.10	12.99
Japan	5.60	7.10
Tanganyika Territory	7.01	6.35
Kenya and Uganda	3.49	3.67
United States	6.01	3.41
France	0.97	3.41
Italy	4.71	3.40
Holland	2.46	2.69

PRINCIPAL IMPORTS

The principal articles imported during 1935 in order of value were: rice and grain, cotton piece-goods, gasoline, sugar, wheat flour, manufactured tobacco, ivory, silk and artificial silk goods, apparel, ghee, dried fish, sesame, iron and steel manufactures, motor cars, motor trucks, cut or fashioned wood and timber, cattle, fresh vegetables, condensed milk, straw bags, spirits, goats and sheep, paper manufactures, cement, tires and tubes, coal, medicines, bags and sacks.

The principal articles imported of interest to Canada, with their approximate values for 1934 and 1935, are:—

	1934	1935
Cotton piece-goods	\$365,970	\$473,550
Flour	72,600	153,780
Silk and artificial silk goods	102,630	125,070
Apparel (unenumerated)	45,540	75,240
Fish (dried)	40,920	54,780
Iron and steel manufactures	26,400	42,900
Motor cars	14,850	37,290
Motor trucks and chassis	19,800	33,660
Wood and timber (cut or fashioned)	16,720	33,330
Milk (preserved or condensed)	27,390	29,700
Paper manufactures	21,450	25,740
Cement	23,100	25,410
Tires and tubes	15,840	24,420
Haberdashery and millinery	14,190	17,490
Stationery	13,860	14,850

Imports from Canada amounted to \$22,116. The following are the principal headings: raw materials and articles mainly unmanufactured, \$1,176; and articles wholly or mainly manufactured, \$20,813, chiefly motor trucks or chassis, \$15,876; motor cars, \$3,290; wood and timber, cut or fashioned, \$1,176; motor car spares, \$489; implements and tools, \$469; tires and tubes, motor car, \$318; tires and tubes, motor truck, \$204.

In the year under review the principal import products with sources of supply were:—

Wheat flour, 82,458 cwts., 73,606 of which came from Australia, 7,574 from India, and 1,278 from France. Wheat, 5,834 cwts., practically all from India. In dried fish, 16,863 cwts. were imported, Arabia, Aden, and Italian Somaliland supplying the major portion. In condensed and preserved milk, Holland supplied 3,071 cwts. out of a total of 3,578 cwts., and Denmark, 434 cwts. In miscellaneous food and drink, India was the principal source of supply, followed closely by the United Kingdom.

In dressed wood and timber, 973 tons were imported: 346 tons came from Sweden, 260 tons from India and Burma, 110 tons from Finland, 88 tons from Tanganyika, and 50 tons

from Canada. Japan supplied 2,149 tons of cement out of a total of 2,878 tons, and the United Kingdom 731 tons.

Under the heading of implements and tools, 26,265 units were imported; of these Germany supplied 13,225, the United Kingdom 6,428, and Canada 6,252. Great Britain supplied 95 per cent of the electrical goods and apparatus. In agricultural implements and machinery, Germany supplied 16,803 units out of a total of 27,197; the United Kingdom supplied 9,463, Belgium 600, and Japan 330.

In cotton piece-goods, unbleached, Japan dominated the trade, India and the United States obtaining only a small share and the United Kingdom very little. Japan also held the market in bleached cotton piece-goods, though Great Britain and Holland obtained practically all the requirements for printed cotton piece-goods. In silk piece-goods and artificial silk manufactures, Japan secured the bulk of the trade; also in unenumerated apparel, singlets, boots and shoes, hosiery and haberdashery, though in the last-named Germany was a serious competitor.

In paper and cardboard Great Britain supplied about two-thirds, and about 50 per cent of that offering in paper manufactures and stationery.

In motor cars, out of 63, Great Britain supplied 43, the United States 12, Canada 6, and France 2. In motor car parts the United States was first, Great Britain second, Japan third, Germany fourth, and Canada fifth. In motor trucks the United States was first with 35, followed very closely by Canada with 30. Japan supplied 1,534 out of 2,676 motor car tires imported, followed by Great Britain with 481; the United States, 311; France, 222; Italy, 62; and Canada, 36.

In manufactured goods, unenumerated, India was first, closely followed by Great Britain. Other suppliers were Japan, the United States, Germany, China, and France, in the order named.

EXPORTS

The volume of domestic exports was less than that of the previous year, but the enhanced values were sufficiently substantial to record an increase in value of approximately \$280,500, which was mainly due to increased returns received from exports of copra. Domestic exports consist of copra, cloves and clove stems principally, also sesame oil, fresh fruit, coconut, beche-de-mer, ox hides, native tobacco, coconut oil, and other hides and skins.

The chief exports of Zanzibar, including re-exports, with approximate values, consisted of the following:—

	1934	1935
Cloves	\$2,101,770	\$2,087,910
Copra	341,880	537,900
Clove stems	106,920	175,890
Ivory	140,580	168,630
Cotton piece-goods	86,130	139,590
Gasolene	37,950	51,150
Millet	13,860	32,340
Sugar	11,880	23,430
Fish (dried)	20,790	22,770
Silk and artificial silk	8,910	22,110
Sim sim oil	1,650	22,110
Sesame	4,950	20,130
Rice and grain	13,860	18,150

Canadian purchases of Zanzibar exports amounted to \$13,860 in 1935, \$15,510 in 1934, and \$13,530 in 1933, comprised exclusively of cloves and clove stems.

GERMAN GRAIN SITUATION

S. V. ALLEN, ASSISTANT TRADE COMMISSIONER

Hamburg, May 5, 1936.—There were few important developments in the German grain situation during the first quarter of the year. Brief comments are given below on several points of current interest, and on possible future trends in the local market position.

CROP CONDITIONS

As compared with last year's position, crop conditions at the beginning of April were regarded as satisfactory. In spite of needed warmth, the crops were

reported to be well advanced due to the favourable weather conditions of last autumn and heavy winter precipitation. The seeding of summer crops is generally behind schedule, although good progress has been reported from a few areas.

CROP ESTIMATES

Figures issued in January, revising the 1935 crop results, show little variation from earlier estimates. Slight reductions are recorded in the case of wheat, rye, and oats, while barley shows a corresponding increase. The latest figures are given herewith, together with comparative estimates for 1934 and average yields for the years 1929-34:—

Latest German Crop Estimates, 1935

Grain	Estimate of Jan., 1935	Final Estimate, 1934	Average 1929-34
	In Thousands of Metric Tons		
Winter wheat	4,278.4	3,947.2	3,902.1
Summer wheat	388.7	585.5	516.5
Winter rye	7,391.2	7,522.6	7,777.6
Summer rye	86.9	85.0	91.1
Winter barley	1,001.8	691.0	565.2
Summer barley	2,385.6	2,512.8	2,592.4
Oats	5,385.7	5,452.3	6,383.2

GRAIN STOCKS

Stocks of various grains in store in German mills and warehouses at the end of March are shown below, together with the corresponding figures for 1935:—

Grain Stocks in Mills and Warehouses

	Domestic and Foreign Stocks Duty Paid		Foreign Stocks Duty Unpaid	
	March, 1936	March, 1935	March, 1936	March, 1935
	In Thousands of Metric Tons			
Wheat	1,274.2	1,760.3	4.1	20.1
Rye	977.5	1,470.8	2.2	15.5
Oats	153.5	111.5	0.6	3.8
Barley	89.4	104.1	0.8	7.8

Including estimated stocks of wheat in the hands of farmers, the total visible supply of this grain in Germany at the end of March amounted to 1,994,000 metric tons as compared with 2,460,000 tons on the same date last year. A considerable reduction of stocks is also apparent in the case of rye, for which the totals are 2,480,000 and 2,890,000 metric tons respectively.

MILLING REQUIREMENTS

There has been some revival in the domestic flour market, quantities of wheat and rye milled during the first quarter having been considerably in excess of last year's figures and amounting to 918,000 and 875,000 tons respectively. The corresponding quantities used by the mills in the first quarter of last year were 874,000 tons of wheat and 711,000 tons of rye. Mills with an annual capacity of over 3,000 tons have received permission to grind wheat up to 25 per cent of their basic annual quotas during the three-months' period March-May and up to 21 per cent in the case of rye. Smaller mills, however, have been permitted to mill both grains up to 25 per cent of their annual quota.

GRAIN IMPORTS

Total imports of wheat during the January-March quarter amounted to 18,319 tons as compared with a figure of 69,355 tons during the same period in 1935. Of the former total, Canada supplied 4,934 tons, slightly more than half of the 8,298 tons exported to this market during the same quarter of last year. Despite a heavy reduction in total grain imports and evidence of further recessions in this trade, present stocks appear to be adequate to meet consumption requirements up to the end of July.

There has been a marked increase in Germany's imports of maize from Argentina, resulting, it is believed, from payment facilities arranged with this country. Wheat purchases, at the same time, have remained fairly stationary at the average level of the last six months.

PURCHASES OF CANADIAN WHEAT

Recent imports of wheat from Canada as referred to above may be assumed to have been shipments for milling in bond and re-exportation in the form of flour. German exports of flour from September of last year to the end of February amounted to 15,685 metric tons, some 60 per cent of which had been milled in bond. The bulk of these exports was destined for the English market and, according to local trade reports, has been sold there at prices fully competitive with Canadian and other flours of Canadian wheat content.

BALANCE OF PAYMENTS IN DENMARK, 1935

RICHARD GREW, CANADIAN TRADE COMMISSIONER

Oslo, May 12, 1936.—A statement has been issued by the Danish Government Bureau of Statistics, showing the annual compilations of the international balance of payments for 1935 and the balance of international indebtedness at the end of that year.

The figures are based to some extent on estimates and cannot be considered as absolutely correct, but they are believed to be sufficiently reliable to provide a useful clue as to the trend of the country's relations with foreign countries.

The balance of payments was very much more favourable than the previous year with a comparatively large surplus of current income over current expenditure, including the interest charge on the foreign debt; the surplus covers comfortably the annual redemption of the foreign debt. Compared to 1934, the export of merchandise increased by 32 million kroner, while shipping accounted for an increase of 10 million kroner, and commissions, insurance, etc., yielded 12 million kroner more. Tourist income grew by 5 million kroner, and there was an export of gold amounting to 31 million kroner. In all, the credit items grew from 1,556 million kroner to 1,649 million kroner. On the other hand, the import of merchandise fell by 25 million kroner, while commissions, insurance, etc., and tourist expenditure increased by 5 million kroner each. In all, the debit side of the balance fell from 1,594 million kroner to 1,578 million kroner.

There was a surplus on the current items of 71 million kroner as against a deficit of 38 million kroner in 1934.

The balance of foreign indebtedness shows a small increase in the net indebtedness of the country, the figure being 1,554 million kroner as against 1,546 million kroner at the end of 1934.

ECONOMIC CONDITIONS IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, April 29, 1936.—The smaller surplus of wheat and flaxseed that is available for export this year has not so far affected the domestic business situation. Corn shipments, which are considerably above normal, and the much higher minimum prices guaranteed for wheat and flaxseed, serve in part to maintain local purchasing power. Further, higher prices are being obtained abroad this year for almost all classes of animal products. Imports show a slight increase over last year, but they cannot continue to increase throughout the current year without reducing drastically Argentina's favourable balance of trade, a trend which is already apparent. Railway receipts have been well maintained, showing only a decrease to mid-April of 1.7 per cent as compared with last year despite the reduced movement of grain.

Interest centres here at present among live stock breeders on the negotiations already in progress towards the renewal of the Roca Agreement and the possible effects of a new agreement on the meat trade to the United Kingdom. The grain trade will be affected by the definite move which the Argentine Government has finally taken towards the construction of a complete system of country and terminal elevators.

EXTERNAL TRADE

Argentina normally accumulates a large favourable balance on merchandise account during the first half of each year. This is the period of heaviest grain shipments. However, for the quarter just closed, the favourable balance of 120 million pesos shows a reduction of 31 million pesos as compared with the corresponding period of 1935. Imports show an increase of only 1 per cent over last year, but exports have decreased 28 million pesos in value despite an increase of 30 million for corn and 33 million pesos for animal products. Wheat shipments were 54 million, flaxseed 10, barley 13, and oats 9 million pesos lower in value respectively than for the first quarter of 1935.

Imports increased last quarter 13.8 per cent in volume as compared with 1935. Of the principal groups of imports, textiles show a substantial decrease both in volume and value, which probably reflects an increase in local production. Imports of lumber and wood products were lower except in the case of Douglas fir, as also of rubber goods and chemicals, but all other groups show marked increases. This is particularly true of machinery and vehicles, but in addition, imports of metals and paper were higher this year.

EXCHANGE SITUATION

The exchange control system is still administered on the principle that Argentine buyers may pay for goods imported from any particular country at a lower rate of exchange up to the amount of that country's purchases from Argentina, preference being granted within this limit to goods considered of prime necessity here and with certain deductions to cover the local Government's exchange requirements. Shipments made from any country in excess of this limit can only be paid for at a rate of exchange which makes the cost of the shipment to the buyer here 20 per cent more than would be the case if he had permission to buy his exchange at the lower rate.

Farm implements and newsprint are on the preferred list and can be paid for at the lower rate from Canada, and these two products readily absorb all the exchange that is made available from Canadian purchases of Argentine products at present. The effect of the differential rate against the excess of a

country's exports to cover imports from Argentina makes competition virtually impossible in non-preferred commodities, unless it happens no other country which can supply the particular commodity is being granted exchange at the lower or official rate.

An Exchange Committee—to which a representative of various local government departments, a financial advisor, and a representative of the Association of Importers have been appointed—has been established to advise the Exchange Control Board on questions of policy and to pass on exchange matters brought to their attention by importing firms.

GRAIN TRADE

The effects of the severe drought of last year in Argentina are now apparent in a much lower volume of wheat and flaxseed shipments. Exports of wheat this year to April 23 have amounted to only 16·2 million bushels as compared with 63·5 million bushels for the corresponding period of 1935. Similarly, flaxseed shipments were 20·4 million and 29·1 million bushels for the respective periods.

Brazil took 8·4 million bushels or over 50 per cent of all the Argentine wheat exported during the first quarter of 1936; and further, 65 per cent of the wheat shipments have been "Barusso" or Argentine hard wheat. Local wheat quotations continue slightly above the high official minimum of 2·72 pesos per bushel established last December, but may be considered more or less nominal since Brazil and local millers are virtually the only buyers at present.

SITUATION IN CORN

Whereas wheat and flaxseed shipments are down this year, corn exports to April 23 reached a total of 80 million bushels or 65 per cent over shipments for the corresponding period of 1935. The first official estimate of the corn crop now being harvested places it at 363 million bushels or 16 per cent below the abnormally large crop of last year. Consequently corn must continue to bulk large in Argentine grain exports throughout 1936 due to the necessity of disposing of the large stocks that will be available here.

While the exportable surplus of corn will still be much above normal, nevertheless it will be smaller than was anticipated a few months ago when unofficial forecasts placed the present crop even above that of 1935. Simultaneous with the publication of the lower crop forecast in March, the Government announced an increase in the basic price for corn from 1·12 to 1·28 pesos per bushel. Local quotations are below this new minimum at present, and the Government will probably have to draw on their exchange profits fund to offset their losses.

MOISTURE CONDITIONS

Moisture conditions have been favourable in recent weeks for preparing the land for wheat and flaxseeding which will begin shortly. The Department of Agriculture have attempted to make it clear to the farmers through official statements in the local press and for the first time by radio broadcasts, that the present minimum prices must not be considered as permanent, but no doubt they will be a factor in influencing to a degree the acreage that will be sown this year.

LIVE-STOCK INDUSTRY

The virtual dependence of Argentina on the British market as an outlet for the basic products of their live-stock industry makes the present negotiations for a renewal of the Roca-Runciman Agreement a matter of great interest and importance here. Under the present agreement, which expires in November, Argentine meat enters the United Kingdom on the basis of a quota which pre-

cludes any substantial increase in shipments but at the same time has served to stabilize the industry during recent years at the present level of production.

IMPORTANCE OF UNITED KINGDOM MARKET

The live-stock industry provides approximately one-third in value of all Argentine exports. Cattle breeders have developed their herds with a view to the supply of chilled beef for the United Kingdom, which is the only market for this class of meat. Of the 6 million cattle slaughtered in Argentina annually, 30 per cent normally are for export. The United Kingdom takes just under 50 per cent of all the products of the Argentine live-stock industry including beef, mutton, wool, and hides.

However, the proportion of beef and mutton exports taken is much higher, so that wool and hide exports are indirectly dependent too on the British market. It is estimated here that the proposed import duty on chilled meat to the United Kingdom of $1\frac{1}{4}$ pence per pound on beef would work out at the equivalent of approximately 50 pesos per head on an average animal which is now selling at around 140 pesos to the producer.

The outcome of the present negotiations and their possible effect on the volume of beef exports as well as on local prices is a matter of great concern. Treatment to be accorded the £436 million sterling of British investments in Argentina and the possibility of increasing United Kingdom export trade to Argentina are important from the British point of view.

Exports of animal products during the first quarter of 1936 show an increase of 8.3 per cent in volume but 21.9 per cent in value as compared with the corresponding period of 1935. Higher prices for hides and wool account largely for the increase in value, although there was also an increase of 13 per cent in the volume of shipments in these two products.

FRUIT EXPORT TRADE

The fruit-growing industry has shown a remarkable development in recent years from the point of view of both volume and quality. The domestic market is now supplied with peaches, grapes and citrus fruits of excellent quality, but for the export markets probably more attention is now being paid to apples and pears.

The apple export season opens in February. This year to the end of March, 81,902 boxes of apples of Northern varieties were exported as compared with only 22,884 boxes for the first quarter of 1935. Similarly, pear shipments were 413,261 boxes and 187,029 boxes for the respective periods. The United Kingdom took 20 per cent of the apples and 46 per cent of the Argentine pears exported so far this year. Sweden, France, Spain, and Brazil are the other principal export markets for both apples and pears.

ECONOMIC CONDITIONS IN COLOMBIA IN 1935

R. A. CAMERON, ASSISTANT TRADE COMMISSIONER

Panama City, Republic of Panama, May 7, 1936.—The closing months of 1935 found economic conditions in Colombia steadily improving and a feeling of optimism prevailing generally throughout the republic. Although the actual returns for the year show only moderate gains, nevertheless a continued improvement of business during the opening months of 1936 would seem to indicate that a solid foundation had been laid for more prosperous times.

The principal factor justifying the present confidence has been the rising price of coffee with an increasing demand in the coffee consuming markets. Although shipments moved steadily during 1935, prices did not begin to advance

until the middle of December. The advance begun at that time continued until the middle of the following February, when prices firmed after advancing 3 cents per pound. The importance of this may be appreciated when it is realized that every cent advance means approximately 4,500,000 pesos to coffee producers.

During the year the textile industry, which has developed rapidly, invested heavily in modern machinery and equipment. It appears to be over-extended, however, and a policy of retrenchment may be necessary. With this exception, practically every branch of agriculture, industry and finance, reflected a healthier condition during 1935.

An increase in the volume of domestic trade as reflected by increased bank clearings and freight movements, a more or less stable exchange rate with a reasonable expectation of a slight increase in the value of the peso, careful national financing including a number of projected public works, and the assurance of an important market for Colombian exports as provided in the new United States-Colombia Trade Agreement, which has just been ratified, have served to foster and justify the growing confidence.

FINANCES

Government revenues for the year ending December 31, 1935, totalled 57,183,000 pesos; expenditures were 56,832,000 pesos. This is a considerable decrease from the figures of the previous two years. In 1934 revenues amounted to 77,486,000 pesos and expenditures to 74,970,000 pesos; in 1933 revenues were 65,506,000 pesos and expenditures were 62,680,000 pesos. It should be recalled that budgets for the years 1933 and 1934 were unusually high due to the boundary war with Peru. For this purpose "extraordinary" taxes were imposed, which in 1934 amounted to 23,923,000 pesos and in 1933 amounted to 25,648,000 pesos. In amount the 1935 figures are more normal although the financial burden of the war is still reflected in them. The budget for 1936 has been definitely fixed at 68,676,351 pesos.

Although Colombia's external debt did not increase during the years 1933, 1934 or 1935, remaining at U.S.\$51,223,000 and £1,393,000 sterling, the cost of the war during that period did increase the internal debt. At the close of 1932 this amounted to 37,605,000 pesos, and by December 31, 1934, it had increased to over 83,408,000 pesos. There appears to be no immediate prospect of payments being made in the external debt.

BANCO DE LA REPUBLICA

The annual returns of the Banco de la Republica for 1935 show some improvement in Colombia's position as to balance of payments. The movement of gold and negotiable bills during the year amount to U.S.\$61,953,000 receivable and U.S.\$59,848,000 payable. In 1934 U.S.\$68,684,000 was receivable and U.S.\$78,369,000 was payable; in 1933 U.S.\$56,247,000 was receivable and U.S.\$58,982,000 was payable. In amount the 1935 movements approximate those of normal years and are more satisfactory than the unfavourably balanced movements of 1934 and 1933.

The rediscount rate of the Banco de la Republica in 1935 remained at 4 per cent, which was the same as that of 1934, a reduction from the rate of 4.5 per cent in 1933 and of 5.71 per cent in 1932. Funds are readily available for sound investment of which in the past there appears to have been a scarcity, but the availability of cheap money should encourage the expansion of industrial and agricultural enterprises.

The increase in the volume of domestic business transactions is reflected in clearing house returns which rose in 1935 to 669,914,000 pesos. This was almost a 23 per cent gain over the 1934 returns of 546,496,000 pesos, an 85 per cent gain

over the 1933 returns of 362,752,000 pesos and approximating the prosperous years 1927, 1928, and 1929. In comparing the 1935 figure with that of 1933, however, the depreciation of the peso in the meantime must be borne in mind.

Gold reserves of the Banco de la Republica as of December, 1935, were given as amounting to 32,222,000 pesos. At the end of December, 1934, they were reported as amounting to 16,143,000 pesos. The increase is only apparent, however, since in April, 1935, Colombia began calculating the value of the gold reserve at the commercial value of the metal expressed in pesos at the rate of exchange for the day. The reported gold reserves therefore were automatically increased from 12,790,000 pesos in March to 27,482,000 pesos in April. Since then there has been a small but gradual gain in the gold reserve of the Banco de la Republica. At the end of February, 1936, reserves had increased to 35,141,000 pesos.

Concurrent with the increase of clearing house returns, notes in circulation showed a small increase during the past year, totalling 37,784,000 pesos as compared with 36,281,000 pesos in 1934. The comparison becomes more marked when it is realized that in 1933 notes in circulation amounted to only 25,589,000 pesos. The 1935 figure shows an increase therefore of 47 per cent over 1933.

Considered in conjunction with clearing house returns, the increase in note circulation indicates the increase in the volume of domestic trade. Deposits in 1935 amounted to 26,538,000 pesos as compared with 25,120,000 pesos in 1934 and 19,811,000 pesos in 1933. Loans and discounts decreased during the year, reflecting the difficulty of finding sound investments in spite of the availability of capital. Loans and discounts in 1935 totalled 8,044,000 pesos as compared with 11,620,000 in 1934 and 8,570,000 in 1933.

COMMERCIAL BANKS

While the operations of the commercial banks are independent of the finances of the Government, they reflect nevertheless the general economic conditions of the republic. In 1935 cash deposits of commercial and mortgage banks with the Banco de la Republica amounted to 20,540,000 pesos as compared with 20,726,000 in 1934 and 17,764,000 in 1933. The 1934 and 1935 figures are almost double the size of normal deposits. It is difficult to determine to what extent this may be due to increased wealth, as one reason for the increase lies in the necessity of importers depositing funds sufficient to cover their drafts on foreign imports. These deposits remain in the banks until the Exchange Control Board authorize their remittance abroad.

Negotiable and non-negotiable paper discounted with the Banco de la Republica amounted to 48,959,000 pesos in 1935 as compared with 43,789,000 in 1934 and 48,522,000 in 1933.

Deposits withdrawable within thirty days amounted to 51,838,000 pesos in 1935 as compared with 50,490,000 in 1934 and 42,093,000 in 1933. On the other hand, deposits withdrawable after thirty days decreased in 1935 to 15,899,000 pesos from the figure of 17,242,000 in 1934 and 23,530,000 in 1933. Savings deposits increased in 1935 to 8,951,000 pesos from the 1934 figure of 7,864,000 and 8,251,000 in 1933.

Capital and legal reserves showed little change, amounting in 1935 to 54,183,000 pesos, as compared with 54,690,000 in 1934 and 52,678,000 in 1933.

EXCHANGE SITUATION

Since the creation of the Exchange Control Board in 1931, the Colombian peso has depreciated from 1.035 per U.S. dollar to 1.62 in 1934 and 1.78 in 1935. The present policy of the Banco de la Republica apparently is based on an attempt to hold exchange around the present level of from 1.72 to 1.76,

avoiding wide fluctuations and perhaps permitting the peso to appreciate slowly in value.

The Exchange Board of Control, in keeping with this policy, has relaxed restrictions and there is now no difficulty in obtaining exchange for legitimate transactions. At the present time exporters to Colombia can reasonably expect payment within 30 days of the time goods are landed if the importer or his shipping agent effects clearance through the customs promptly. Any delay beyond this period may be due to the importer withholding payment in the hope of obtaining a more favourable rate of exchange.

EXTERNAL TRADE

Official statistics of Colombia's foreign trade for the year ending December 31, 1935, are not available, but the April, 1936, bulletin of the Banco de la Republica states that during the year exports totalled 142,793,000 pesos in value. This is a decline from the figure of 151,979,000 pesos for 1934, but compares favourably with the value of exports in previous years.

Imports into Colombia during 1935 totalled 106,854,000 pesos in value, an increase from 87,559,000 pesos in 1934. In view of the steady depreciation of the peso during the past four years, a comparison of the value in pesos of annual importations does not provide an accurate picture of the situation unless volumes also are compared.

The following table shows the weights and values of total Colombian exports and imports from 1929 to 1935 inclusive. As the values are shown in pesos, the value of the peso in terms of the United States dollar is also given for the corresponding years.

Foreign Trade of Colombia

Year	Exports		Imports		Exchange Rate Pesos for U.S.\$
	Weight Kilos	Value Pesos	Weight Kilos	Value Pesos	
	Figures in Thousands				
1929..	3,002,484	126,871	650,088	126,377	1.0335
1930..	3,094,517	112,709	411,912	62,841	1.0350
1931..	2,670,579	98,009	248,584	41,057	1.0350
1932..	2,546,932	70,332	183,504	30,649	1.0492
1933..	2,045,975	72,698	218,758	50,420	1.2450
1934..	2,697,989	151,979	267,601	87,559	1.6255
1935..	2,676,967	142,793	270,401	106,854	1.7830

EXPORTS

Of Colombia's total exports of 142,793,000 pesos, coffee and petroleum account for 108,321,000 pesos. Coffee exports for 1935 totalled 79,222,000 pesos in value as compared to 82,460,000 in 1934 and 49,275,000 for 1933. Of the total 1935 export of 3,785,175 bags (of 60 kilos) the United States took 2,868,442 bags, and Europe 824,069 bags. In the Colombian trade statistics, Canada's purchases of coffee probably have been partially credited to the United States.

The Canadian statistics, however, show imports of coffee from Colombia for the fiscal year ending March 31, 1935, as amounting to 6,389,800 pounds valued at \$777,964. Exports of petroleum amounted to 29,099,000 pesos in 1935 as compared with 28,162,000 in 1934 and 9,924,000 in 1933. Approximately one-third of these are taken by Canada. Gold exported in 1935 was valued at over 19,192,000 pesos as compared with 28,088,000 in 1934 and 5,104,000 in 1933. Exports of bananas were valued at 8,939,000 pesos as compared with 6,124,000 in 1934 and 4,907,000 in 1933. The United States, Great Britain, Holland, and France are the chief destinations.

Coffee, petroleum, gold, and bananas accounted for 95 per cent of the total value of Colombia's exports during 1935.

IMPORTS

High tariff duties, exchange control regulations and similar restrictive measures have naturally affected the import trade, and have been the determining factor in the economic development of the country.

Imports into Colombia, 1932 to 1934

Commodity	1932		1933		1934	
	Kilos	Pesos	Kilos	Pesos	Kilos	Pesos
Raw materials for industry.	1,051,397	328,717	5,306,180	903,093	8,410,246	2,067,494
Cement-lime plaster	78,981,348	197,536	33,556,858	218,443	34,108,527	380,178
Cotton yarns	818,131	310,514	1,179,622	132,066	1,158,138	1,011,017
Woollen yarns	82,427	100,440	353,738	499,738	392,150	855,331
Paper, cardboard blank books	11,229,274	1,232,268	13,493,220	1,515,386	15,634,181	2,922,543
Industrial machinery	6,199,035	2,534,841	8,216,772	4,096,265	10,277,572	7,435,369
Sewing machines	50,733	58,901	171,953	118,798	265,739	351,050
Silk yarns	33,770	54,894	122,025	226,218	288,476	681,433
Weaving machines	1,185,814	445,774	1,716,056	832,438	3,690,356	2,044,033
Auto trucks	308,131	103,665	814,839	387,378	2,160,903	1,258,478
Auto cars	394,709	169,078	1,067,924	492,239	1,883,117	1,364,818
Auto buses	42,761	19,065	.....	.....	14,183	8,953
Rubber tires, solid or pneu- matic	644,444	431,523	981,672	783,434	1,107,064	1,161,316
Ginned cotton	1,351,392	243,844	2,224,929	546,361	2,494,402	1,125,622
Wheat	9,976,310	241,726	8,457,989	238,564	4,224,880	574,180
Wheat flour	637,234	28,465	308,714	18,386	376,507	32,472
Potatoes	259,315	7,076	151,611	6,050	195,055	14,074

Indicative of the increasing importance of manufacturing, it may be noted that imports of raw materials for use in domestic industry increased from 486,131 kilos valued at 245,538 pesos in 1930 to 8,410,246 kilos valued at 2,067,494 pesos in 1934, while the growing ability of Colombia's cement plants to supply the domestic demand reduced imports of cement from 73,213,888 kilos valued at 632,300 pesos in 1930 to 34,108,527 kilos valued at 380,178 pesos in 1934. It is probable that the 1935 returns when published will show a further decrease in cement imports.

The textile industry has grown rapidly, creating a demand for yarns, weaving machinery and ginned cotton. Imports of cotton yarn increased from a volume of 385,611 kilos valued at 234,074 pesos in 1930 to 1,158,138 kilos valued at 1,011,017 pesos in 1934; imports of silk yarn increased from 6,546 kilos valued at 16,383 pesos in 1930 to 288,476 kilos valued at 688,433 pesos in 1934 and imports of woollen yarn increased from 4,419 kilos valued at 9,325 pesos in 1930 to 392,150 kilos valued at 855,331 pesos in 1934. Weaving machinery, which was not imported in 1930 or 1931, was imported to the extent of 3,690,356 kilos valued at 2,044,033 pesos in 1934. Imports of ginned cotton increased from a volume of 196,013 kilos valued at 70,838 pesos in 1930 to a volume of 2,494,402 kilos valued at 1,125,622 pesos in 1934. In view of the increased production of domestic cotton, all of which is taken by the local mills, the increase in the imports of ginned cotton is particularly significant of the growing importance of the textile industry.

Imports of industrial machinery decreased in volume from 22,770,014 kilos (5,422,034 pesos) in 1930 to 10,277,572 kilos (7,435,369 pesos) in 1934; the increased value was due to the depreciation of the peso. Notable increases are in paper, cardboard, etc.—from 8,746,105 kilos (1,471,957 pesos) in 1930 to 15,634,181 kilos (2,922,543 pesos) in 1934—and in automobiles, trucks, and tires.

On the other hand, imports of certain items decreased both in volume and value, and illustrate the extent to which imports of some commodities have been affected by the encouragement of domestic production. Imports of wheat decreased from 32,674,931 kilos valued at 1,461,931 pesos in 1930 to 4,224,880 kilos valued at 574,180 pesos in 1934. Imports of flour decreased from 11,343,771

kilos valued at 779,783 pesos in 1930 to 376,507 kilos valued at 32,472 pesos in 1934, and imports of potatoes decreased from 4,135,149 kilos valued at 199,153 pesos in 1930 to 195,055 kilos valued at 14,074 pesos in 1934.

AGRICULTURE

Coffee is Colombia's chief agricultural product and export, and as such it influences foreign exchange by tending to equalize the trade balance. That the importance of this industry is fully realized by Colombia is evidenced by the effective manner in which it is organized.

Control of the industry is in the hands of the National Federation of Coffee Growers, which organization grades the coffee as to quality and origin and stipulates the marks or symbols which must be used to distinguish the various grades.

Colombia's shipments of coffee to Germany are paid for in compensation or "coffee" marks which must be spent in Germany. As a result goods of German manufacture are seen on every hand and prices paid for them in terms of Colombian currency are considerably below quotations on competing goods.

Since 1927 an export tax of 10 cents per bag of 60 kilos has been imposed on coffee, and the Government has authorized the Federation to invest the funds obtained from this tax in various agencies for assisting the producers. As a result coffee warehouses have been built, methods of cultivation have been studied, and problems of advertising, selling, and financing investigated. In addition, the federation informs the growers as to prices and market trends and assists them in marketing their crop. It also issues insurance against risk of fire, theft, loss or damage, and will advance up to 75 per cent of the value of the crop at an interest rate of 3 per cent per annum. Federation stores and agencies are maintained in the leading centres of population, handling in addition to coffee such products as rice, tobacco, cacao, sugar, wheat, and flour. This control and standardization is of obvious importance to foreign buyers as well as to local producers.

GOVERNMENT ASSISTANCE TO AGRICULTURE

Practically all of the agricultural requirements of Colombia's 9,000,000 population are produced locally. In the past the majority of Colombian farmers have operated in a small way and their methods have been more or less antiquated. In recent years, however, the Central Government has endeavoured to increase and improve agricultural production through the medium of various agencies. An agronomic service and experimental farms have been established, and the Industrial and Mining Credit Bank offers direct loans to agricultural producers at low rates of interest.

Recently there has been a demand for modern agricultural machinery and for information regarding new methods of cultivation. During the coming summer an exhibition of agricultural machinery, sponsored by the Government but with exhibits provided by local agents, is being sent on railway gondola trucks on a tour through the country.

At a similar exhibition in January the products of two Canadian manufacturers were awarded prizes. Canadian agricultural machinery is used extensively in Colombia.

WHEAT PRODUCTION

One of the agricultural crops which is increasing, and in which the use of machinery is growing, is wheat. Since the increase of the duty in 1931 to 8 cents per gross kilo, the domestic production of wheat has increased from a volume of 47,031,800 kilos in 1930 to approximately 80,000,000 kilos in 1934. Several varieties of seed wheat have been imported in an effort to develop a type suitable to the soil and climatic conditions of the country. The names "Reward," "Marquis," and "Manitoba" are well known.

In spite of these efforts, the quality of the domestic wheat is poor and its use is confined to the mills of the interior where it is grown. Millers in the coastal regions use a certain amount of imported wheat the price of which is prohibitive in the interior.

OTHER CROPS

Cotton.—Cotton production is increasing. It is not an expensive crop to produce and can be conveniently grown with tobacco. The quality of Colombian cotton is good and the yield per acre is greater than that of the United States. It is estimated that the present crop will amount to approximately 10,000,000 kilos. The whole production is used by the domestic mills, and the expansion and growth of the textile industry offers a ready market to local cotton growers.

Sugar.—Sugar production increased from 18,601,441 kilos in 1929 to 36,409,880 kilos in 1934. Current prices are being maintained at approximately 7 cents per pound wholesale. The industry is highly protected, but in years of a shortage duties are taken off in order to permit imports. It is expected that during 1936 it may be necessary to import a certain quantity of sugar.

Tobacco.—Tobacco is produced in the cotton-growing regions, being exported principally to Germany. Tobacco production in 1934 amounted to 1,604,546 kilos valued at 257,680 pesos. From the manufacturing side the industry is well organized and profitable. For 1935, Colombia's leading tobacco company showed net profits of 1,260,000 pesos after setting aside 380,290 pesos for taxes.

Rice.—A comparatively recent development is the cultivation of rice, which has always been a staple article of food in Colombia. Until a few years ago imports were relied upon to meet the demand. With the development of domestic production—which totalled 54,852,500 kilos compared with 24,496,750 kilos in 1930—imports have decreased rapidly.

MINERALS

Petroleum is Colombia's second largest export commodity, production during 1935 amounting to 17,562,000 barrels (of 42 U.S. gallons), a slight increase over the 1934 figure of 17,248,000 barrels. As recently as 1924 it amounted to only 442,000 barrels. The first year of large production was 1927, when a total of 14,999,000 barrels was produced, and since that year it has been maintained at around the 1935 figure.

Colombia also produces and exports gold and platinum. During 1935 gold production, as reported to the Banco de la Republica, totalled 328,991 ounces. This is a decline from the 344,140 ounces reported for 1934, but nevertheless it is higher than the production reported for any previous year. During 1935 a number of new properties were developed and a considerable investment was made in modern machinery. One explanation for the fall in production is that a certain proportion of the gold actually produced may have been shipped out of the country illegally; on the other hand, producers may be holding back a portion of their output for future sale.

Platinum production for 1935 amounted to 38,628 ounces as compared with 54,219 ounces in 1934 and 45,971 ounces in 1933.

Silver production for the first eleven months in 1935 totalled 123,000 ounces valued at 144,000 pesos. The extent to which Colombia benefited by the increased value of silver can be appreciated by comparing its production and value in 1935 with that of the two previous years. In 1934 silver production totalled 127,464 ounces with a value of 98,280 pesos; in 1933 the production was 108,000 ounces with a value of 45,900 pesos.

TRANSPORTATION

The extension of inland lines of communication and the growing volume of traffic moving in and out of the country have made necessary the improvement of dock and harbour facilities of both seaboard. Two seaports, Buenaventura and Barranquilla, handle the bulk of Colombia's imports and exports. Commercial development has always been retarded by transportation difficulties. Shipments from Barranquilla on the Atlantic side to interior points are made by river boat on the Magdalena river. From the Pacific side shipments to the interior are made by rail.

The volume of freight movements during 1935 increased. Freight shipments on the Magdalena river totalled 1,248,000 long tons during 1935 as compared to 1,175,000 long tons in 1934 and 934,000 long tons in 1933. Freight carried by the railways and overhead cables amounted to 3,078,000 long tons in 1935 as compared to 2,836,000 long tons in 1934 and 2,340,000 long tons in 1933.

AVIATION

An increase in air traffic was reported by the Sociedad Colombiana Alemana de Transportes Aereos ("Scadta"), whose annual report has just been published. A total of 2,465,000 kilos of freight and express was carried by this company in 1935 as compared with 1,399,000 kilos in 1934, and 897,000 kilos in 1933. In 1935 a distance of 1,168,175 kilometres was flown by "Scadta" planes and 25,787 passengers were carried.

Owing to the topography of the country, and the difficulties and inconveniences of travel by the usual means, aviation has assumed an increasingly important function in Colombia. Regular schedules are maintained between the principal centres within the republic as well as between Colombia and other countries. The majority of foreign visitors travelling on business use airlines exclusively, while the airmail is relied upon as a means of rapid communication by all business houses with foreign connections.

ECONOMIC CONDITIONS IN GUATEMALA

S. G. MacDONALD, ACTING TRADE COMMISSIONER

(One quetzal equals \$1 U.S. at par)

Mexico City, May 18, 1936.—The yield of the 1935-36 coffee crop in Guatemala is estimated at more than 1,000,000 quintals. An increased price of more than \$1 per quintal over that obtaining during the last quarter of 1935 was noted during January, but fell away again in the succeeding months, causing some uncertainty in the general economic conditions. About one-half of this crop was exported to the United States. Germany and the Netherlands are the next best customers, the former purchasing about 17 per cent and the latter 12 per cent. The volume of exports of both coffee and bananas in February was considerably in excess of that reported in the corresponding month of the previous year, while during March and early April they were reasonably normal.

While the customary holiday buying for the Easter season was fairly satisfactory, it was slightly less than during 1935. In general, business conditions during the quarter showed no definite improvement owing to the fall in purchasing power in the country and the continued low prices of all staple products such as maize and beans.

On December 31 the Banco Central de Guatemala reported gold holdings of Q.3,217,651, which were increased to Q.3,263,720, a considerable advance from the holdings on the corresponding date in 1935, namely Q.2,974,714. The bank's reserves of foreign exchange, which amounted to Q.640,656.67 at the end of

December, increased materially to Q.2,095,274 by the end of March (Q.1,353,774 on March 31, 1935). The notes in circulation also increased during the quarter from Q.6,165,527 to Q.6,334,335 (Q.6,209,413 on March 31, 1935).

Imports of German goods on a compensation basis on hand among local merchants are large as compared with the current demand, particularly for low-priced automobiles, motor cycles, tires, and requirements for the building of residences, which work is beginning to show a revival. The hold which Germany retains on this market, due to her compensation exchange system, continues, while in connection with the trade in such articles as are indicated, the amount of money received by the Guatemalan coffee producers shipping to the German market has been reduced. The situation created thereby is reflected in all branches of commerce.

MARKET FOR LADIES' CLOTHING IN CENTRAL CHINA

H. A. SCOTT, CANADIAN TRADE COMMISSIONER

(All prices shown in this report are in Canadian dollars)

Shanghai, May 2, 1936.—In view of the periodical inquiries received by this office from Canadian manufacturers of ladies' wear, the following notes covering the situation in this market may be of interest:—

Although there appears to be little prospect of worthwhile sales of Canadian ready-made dresses in the Central China area, there is a limited demand for other articles of ladies' clothing such as corsets, hats, silk stockings, gloves, underwear, and sportswear. Competition, principally from Great Britain, the United States, and France, is, however, keen in all these lines, and it is therefore necessary for the articles offered to be low enough in price to meet this competition and at the same time smart in appearance and of good quality, suitable for the use of European and North American women. There is little demand for foreign-style clothes among Chinese women.

As none of the items of ladies' wear mentioned in this report are classified separately in the Chinese Maritime Customs statistics, it is not possible to show imports of individual articles.

PRODUCTION

In addition to the competition mentioned above, there is a steadily growing local production. Until 1922 practically all articles of ladies' clothing were imported for the foreign population, as there was then very little inducement for local manufacture. From that year on, however, the situation changed, principally owing to two factors: first, the influx of Russian refugees, many of whom were expert milliners and modistes; and, second, the increase in import duties, the full force of which, however, was not felt until 1929, when China regained tariff autonomy. The Russian émigrés, by opening up many retail shops selling fashionable dresses made in their own workshops from Chinese or imported materials, have practically killed the trade in imported frocks, as, apart from the competition which they themselves provide, they have acted as fashion schools for large numbers of Chinese tailors, who now turn out dresses which compare very favourably with imported clothes at about one-third of the price.

EFFECT OF IMPORT DUTIES

The high import duties at present in force have seriously curtailed imports of ladies' wear of all kinds, and local interests have not been slow in taking advantage of the opportunity thus offered for manufacturing these articles in Shanghai, particularly as the increased number of foreign women now resident in that city offers a larger sales outlet. In 1922 the duty on cotton clothing was

5 per cent ad valorem; it is now 40 per cent. The increase is still more marked in the case of silk and artificial silk clothing, the duty on these lines having risen from 5 per cent in 1922 to the present rate of 80 per cent ad valorem.

With this protective tariff in force, during the last few years many factories have been established in the Shanghai area, manufacturing lines which previously had to be imported, and foreign manufacturers can therefore only compete by offering articles which are superior in quality or style.

DRESSES

As Central China is sub-tropical, having a cold winter as well as a very hot summer, all weights of cotton, silk, and woollen dresses are worn. The colours favoured are white and light pastel shades from June to the end of September, medium colours from April to June and October to December, and darker shades from December to the end of March.

PRICE RANGES

As an indication of the competition which Canadian-made dresses would have to meet, it may be said that short-sleeved dresses, made by Chinese tailors in crêpe-de-chine or similar material, with a considerable amount of hand-embroidery, can be bought retail for \$4. Long-sleeved silk or satin dresses range from \$6.50 to \$13, and evening dresses from \$10 upwards. Short-sleeved cotton morning dresses can be purchased for \$2.50, and voile afternoon frocks for \$4. These prices are for dresses, either ready-made or made to measure, which would compare favourably with Canadian-made garments as regards material and stitching, although the colours, when the dresses are made from Chinese materials, are sometimes unreliable owing to the inferiority of native dyes. Foreign dyes, however, are now being used to a much greater extent than formerly. There is usually much more hand-work on these dresses than on similar garments from Canada or European countries, and the cut and style are good.

The prices charged by Russian dressmaking establishments, where the cutting and fitting are done by Russian women and the actual sewing by Chinese, are naturally higher and range from \$16.50 to \$35 for locally made dresses and \$50 to \$120 for imported models from Paris, London, or New York. There are, however, at the present time few women in Shanghai who can afford to buy these expensive imported models, and there is little possibility of Canadian manufacturers doing business in this market unless they can supply dresses which can be retailed for not more than \$10 each.

CORSETS, ELASTIC CORSELETTES, AND BRASSIÈRES

These would appear to provide the most likely opportunity for Canadian competition as, although there are several Russian corsetières in Shanghai, corsets are not manufactured locally to any large extent and are mostly imported from England or the United States. As, however, very few Chinese women wear corsets, the sale is limited entirely to the foreign population. Imported corselettes and corsets are retailed in the shops at prices ranging from \$3.25 to \$13 and brassières from \$1.50 to \$3.50. These prices include import duty of 40 per cent in the case of cotton elastic articles, or of 80 per cent if they are made partly or wholly of silk or artificial silk.

HATS

Although here again the sale is strictly limited to the foreign women, as Chinese ladies do not wear hats, two foreign departmental stores have been successful in selling cheap lines of imported straw, felt, and fabric hats, which

they retail at prices ranging from \$2 to \$7. The import duty on cotton or felt hats is 40 per cent ad valorem, on silk hats 80 per cent, and on straw hats 35 per cent, plus 5 per cent in each case if decorated beyond a plain band. It is essential that these should be in the latest fashion; the sizes in demand range from 21 to 23½.

SILK STOCKINGS

In spite of the fact that the market in Central China for imported silk hosiery is definitely limited in view of the tariff-protected local production and cheap Japanese competition, one Canadian firm has been successful in establishing its brand. It must be emphasized, however, that volume business is impossible as, in addition to local and Japanese competition, there are dozens of well-known brands of American, English, and French silk stockings being sold in this market, some of which are advertised extensively. There is no outlet for cheap-quality stockings, as these are made from pure silk in Shanghai and Hongkong and retail here for as low as \$0.45 per pair. Good-quality American stockings are sold retail at from \$1.75 to \$2.50 per pair, in service and chiffon weights. These must be full-fashioned, in sizes from 8 to 10, and the same colours are required as are fashionable in Canada.

There is no market for artificial silk stockings as women who cannot afford the more expensive brands of imported hosiery prefer the locally made pure-silk stockings, which can be obtained cheaper than imported artificial silk hosiery. The duty on silk hosiery is 80 per cent ad valorem.

GLOVES

Until recently all gloves were imported but a local industry has now been established, and, although the quality is definitely inferior to the imported article, the prices are proportionately lower. There is very little demand for silk or woollen gloves, but there is a limited amount of business to be done in smart cotton or lisle-thread, kid, and suede gloves provided Canadian prices can compete with those of France and Italy, the two principal suppliers. The sizes required are from 6 to 8, and the colours mostly in demand are white, brown, grey, and black. The present import duty on leather gloves is 30 per cent ad valorem, and on cotton gloves 40 per cent; retail prices in the principal shops range from \$0.80 to \$1.25 in the case of cotton or lisle-thread and from \$2.25 to \$4.25 in the case of kid or suede gloves.

UNDERWEAR

In former years Canadian manufacturers were successful in selling woven artificial silk underwear in this market, but the present import duty of 80 per cent ad valorem has recently stimulated local production, with the result that the same type of underwear, in equally smart styles and colours, can now be bought for almost half the price of the imported article.

It is obvious that the styles have been copies from the latest American designs, and as an example of the difference in price between the imported and locally produced article it may be said that Canadian or American artificial silk singlets are sold at \$0.75, whereas locally made singlets, which appear to be identical in quality or style, are retailed at \$0.40. It would therefore seem that there is little hope of this business continuing, or at least of new brands being introduced.

There is a fair demand for light-weight woollen underwear for the winter months, although it is doubtful if Canadian firms could compete with the established British manufacturers who at present dominate the market. Combinations, knickers, and singlets are the only garments for which there is any demand, and they must be attractive in design and not too heavy in weight. Good-

quality English woollen combinations are retailed at from \$2 to \$4 per pair, knickers at \$1.75, and singlets at from \$1 to \$1.50. The import duty on these articles is 50 per cent ad valorem.

SPORTSWEAR

Under this heading the principal article in which it would appear possible for Canadian manufacturers to compete would be swimming costumes. Although these are now manufactured in Shanghai, locally made swimming suits have not so far proved as satisfactory as imported ones, particularly as regards the dye used in their manufacture. The suits manufactured by a well-known American firm are the most popular, but it is believed a fair number of Canadian costumes are sold each year. To compete against the leading American brand it is essential that the Canadian costumes offered should be of the very latest fashion, attractive in style, colours, and cut, in sizes from small women's to outsize. The American brand of swimming suits referred to are sold retail at prices ranging from \$8 to \$12, which include an import duty of 50 per cent ad valorem.

Other articles under this heading in which it might be possible for Canada to compete are woollen sweaters or jumpers, cotton sports shirts, and suede golf jackets. It is important to bear in mind, however, that the first two items are made locally, and it is only by virtue of superior quality and style that imported articles can hope to compete.

IMPORT DUTIES

In addition to the duties indicated in the case of the articles mentioned above, there is in every case a surtax of 10 per cent of the duty payable, which applies to all imported goods. There is also what is known as a conservancy tax of 4 per cent of the duty payable on each article.

JAPANESE MARKET FOR SCRAP IRON AND STEEL

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

Kobe, April 23, 1936.—The demand for scrap iron and steel continued during 1935. It is estimated that the ratio of consumption of pig iron to scrap iron and steel by the Japan Steel Manufacturing Company in 1934 was 60 per cent pig iron to 40 per cent scrap, and other steel producers at the rate of approximately 30 per cent to 70 per cent. These proportions may even have been exceeded in 1935. According to one authority, about 44 per cent of Japan's scrap requirements are secured from domestic sources. The remainder is imported from abroad.

Total imports in 1935 amounted to 1,875,361 short tons with a value of 84,224,969 yen. As the total for the year 1934 was 1,554,297 short tons valued at 65,730,218 yen, the increase has been considerable, with prices slightly higher. As usual, the United States supplied the bulk of the scrap imported by Japan. Canada shipped less scrap to Japan direct during 1935. As in preceding years, however, a considerable amount was credited to the United States.

During the last few months buying of scrap by the various mills has been very brisk. As a result they have stocks on hand sufficient to cover their requirements for the next two or three months. To-day's quotations on United States scrap are said by importers to be too high. As a result trade is fairly dull. Japanese prices on scrap iron are also high, with little active buying. Importers are waiting for a fall in price. If this should not happen, it is anticipated that, as stocks are consumed, manufacturers will have to come into the market more actively.

The following are the c.i.f. prices per ton in United States dollars at which several types of scrap are being offered at present; these are regarded by importers and consumers as \$1 per ton too high: No. 1 heavy melting scrap, \$16; No. 2 melting scrap, \$15; 50/60 pounds relaying rails, \$17.50; cast iron car wheels, \$15; axles, \$19; compressed auto scrap, \$13.50.

POPULATION OF JAPAN, 1935

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Tokyo, April 28, 1936.—The Cabinet Statistics Bureau announced yesterday that Japan proper had on November 1 of last year a population of 69,254,148. This shows an increase of 4,804,143 or 7.5 per cent over the 1930 census, when the population was 64,450,005.

The average annual increase for the five years from 1930 was 960,829, and the annual rate of increase was 14.48 per 1,000 of population, less than that of 15.30 per 1,000 between 1925 and 1930 but greater than that of 13.14 per 1,000 for the preceding five years.

Tokyo prefecture retained its position as the prefecture with the greatest population, 6,369,919, followed by Osaka prefecture with 4,297,174. The Hokkaido was third with 3,068,282. Others with more than 2,000,000 were Hyogo, Aichi, and Fukuoka.

The 127 cities of Japan proper had on November 1 a combined population of 22,666,307 or 32.7 per cent of the total. In 1930 the urban populace was only 24 per cent of the total. Part of this increase is attributable to the fact that many of the larger cities have taken in villages which are in close proximity to them.

Thirty-four cities had more than 100,000 residents, led by Tokyo with 5,875,667; Osaka, 2,989,874; Nagoya, 1,082,816; Kyoto, 1,680,593; Kobe, 912,179; and Yokohama, 704,290. The other largest city was Hiroshima with 310,118.

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 901-902 Bank of Hamilton Building, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Western Canada), 850 West Hastings Street, Vancouver. Telegraphic address: "Vancom."

The Officer-in-Charge (for Manitoba and Saskatchewan), British Trade Commissioner's Office, 703 Royal Bank Building, Winnipeg. Telegraphic address: "Wincom."

TARIFF CHANGES AND CUSTOMS REGULATIONS

Proposed Increase of United Kingdom Duty on Foreign Barley: Import Duties Advisory Committee's Decision

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, May 18, 1936.—The Import Duties Advisory Committee have had under consideration for some time representations made by the National Farmers Unions in favour of an increase in the present duty¹ on imported barley, or, alternatively, on malting barley alone. The decision of the committee, which has just been announced, is against such an increase.

In their report the committee state that about two-thirds of the barley imported into the United Kingdom is consumed by the agricultural industry. In the committee's judgment the imposition in present conditions of an additional duty would not, on balance, be of advantage to that industry as a whole. In view of the requirements of the live-stock producers, any additional duty on barley could only be at a moderate rate, which—especially when regard is had to the exemption from duty of barley from Empire countries—would be of little value to home growers generally, and least of all to those concerned in obtaining an enlarged market for their barley for industrial purposes.

The application for an additional duty on malting barley is directed towards ensuring a greater use of home-grown barley in beer brewing and malting and in whisky distilling. The demand for a duty, thus limited in its scope, would give rise to serious administrative difficulties. Such a proposal is obviously open to the objection that, owing to the difficulty of distinguishing at the ports between barleys intended for malting or for other purposes, it would necessitate an elaborate and burdensome control of the operations of all dealers in barley and malt. Accordingly, the committee explored the possibility of voluntary undertakings regarding purchases of home-grown barley being given by the chief industrial consuming interests.

ENCOURAGEMENT TO BE GIVEN TO HOME GROWERS

Discussions have taken place with representatives of the farmers and representatives of the Brewers' Society, whose membership accounts for about 95 per cent of the beer output of the country and of the pot-still malt distillers, which is the section of the whisky distilling trade to which Scottish farmers might most reasonably look for a market for their grain. The Brewers' Society have informed the committee that it is the intention of its members collectively to make every effort to purchase in each year ending in June a minimum quantity of home-grown barley, amounting to 7,500,000 cwts., and to increase their purchases *pari passu* with any increase in the production of beer over the year ended September 30, 1935, as officially recorded in standard barrelage. This quantity, which it is estimated is the equivalent of some seven-tenths of the total quantity of barley used for brewing purposes, appears to the committee to be a satisfactory one in all the circumstances.

As regards Scotland, notwithstanding that much of the barley on offer appears unfavourable both as to quality and price compared with grain from the Dominions and from certain foreign countries, the committee have found that a distilling company which is responsible for by far the greater part of the consumption of pot-still malt distillers, has supported the Scottish market for over a year past by confining its purchases to home-grown grain. This was done, the committee were informed, at a cost of about £37,000 a year in excess of that

¹ 10 per cent ad valorem, but barley the product of Canada or other part of the British Empire entitled to preference is admissible duty-free when complying with preference conditions.

which would have been necessary to obtain barley from Dominion or foreign sources in quality at least as good. It appears that of the total purchases of barley by the pot-still malt distilling industry in the year ended September 30, 1935, home-grown barley represents over eight-tenths.

The final conclusion of the committee is that so long as they remain satisfied that the individual concerns engaged in the brewing and distilling industries are doing everything in their power to maintain and enlarge, so far as practicable, the encouragement recently given by the industries as a whole to the home growers, they intend to regard the application for an increased duty on malting barley as in suspense.

Irish Free State Bounty on Calf Skins Discontinued

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that the existing export bounty on calf skins, 10s. per skin, in the Irish Free State is to be discontinued as from May 31, 1936.

Reduced Duties on Wheat and Flour in British India

A notice by the Collector of Customs, Calcutta, effective April 8, 1936, established, until March 31, 1937, a duty of 1 rupee (1s. 6d.) per cwt. on wheat and flour. The former rate, brought into effect April 13, 1935, was 1½ rupees, replacing 2 rupees on wheat and 2½ rupees on flour.

Egyptian Tariff Modifications

Advice has been received from Mr. Yves Lamontagne, Canadian Trade Commissioner, Cairo, that a number of modifications have been effected in the Egyptian customs tariff under a decree published in the *Journal Officiel* of April 29, 1936, and effective from that date.

The most important changes affect goods of natural and artificial silk, the duty on which has been considerably increased.

Socks and stockings of natural silk mixed with other textiles or with rubber thread associated or not with metal, the proportion of silk being over 10 per cent, are dutiable at 25 per cent ad valorem, with a minimum of 500 milliemmes (about 10s. 3d.) per dozen. Under the previous tariff, which applied to hosiery goods in general containing over 15 per cent of natural silk (the limit having now been fixed at 10 per cent), the rate was 25 per cent with a minimum of 600 milliemmes per kilogram net for non-embroidered hosiery and a minimum of 720 milliemmes per kilogram net when embroidered or otherwise decorated.

Socks and stockings of artificial silk, mixed or not with textiles other than natural silk, or with thread of rubber, etc., associated or not with metal, including cellulose, textilose, and similar paper, the percentage of artificial silk being over 10 per cent, are dutiable at 25 per cent ad valorem with a minimum of 250 milliemmes per dozen (about 5s. 1½d.) as compared with the previous rate which applied to hosiery goods in general containing over 15 per cent of pure artificial silk (the limit having now been fixed at 10 per cent), and which was 25 per cent with a minimum of 250 milliemmes per kilogram net for non-embroidered hosiery and a minimum of 300 milliemmes per kilogram net when embroidered or otherwise decorated. For goods containing 10 per cent and less, by weight, of artificial silk, the duty applicable is that applying to the textile which dominates in weight.

One Egyptian £ (1,000 milliemmes) is equal to £1 0s. 6d. sterling or about \$5 at par.

Danish Taxation of Grain and Milled Products

Mr. Richard Grew, Canadian Trade Commissioner at Oslo, writes that the Danish Grain Law of August 3, 1935, has been superseded by a Grain Law of April 7, 1936, which fixes taxes on foreign grain so that the laid-down prices, including taxes, are in kroner per 100 kilograms: wheat (soft), 13; barley, 13; maize, 12.50; rye, 11.50; oats, 12; mixed grain, 12.

The tax on hard wheat and flour, it is estimated, will be 100 per cent higher than for soft wheat and flour, but not to be lower than 3 kroner per 100 kilos

for wheat and 4.30 kroner per 100 kilos for flour. The Minister of Agriculture and Fisheries is to determine what is meant by hard wheat and flour, and at the request and expense of the importer concerned may have samples analyzed in order to ascertain the degree of hardness, and the tax will be fixed accordingly. It is thought that the 100 per cent increase will apply against Canadian hard wheat, while, for instance, wheat from the Plate district of Argentina or Russian wheat would not be classed as hard as Canadian, and would consequently not incur the full 100 per cent tax.

The law of August 3, 1935, provided for an increase of 10 ore per 100 kilos on the 1st of January, February, March, and April, 1936, on the aforementioned grains (except maize), so that the fixed prices, including taxes, are 40 ore more than those mentioned above. This increase of 40 ore is to remain in effect until September 1, 1936, when the aforementioned prices will become operative. On January 1, 1937, the prices will be increased 10 ore; on February 1, 1937, 20 ore; on March 1, 1937, 30 ore; and on April 1, 1937, 40 ore. The taxes are to be raised or lowered when the prices of the grain increase or decrease but only after a week has elapsed and the c.i.f. price is altered by at least 25 ore per 100 kilos. The regulation as regards hard wheat went into force on February 24 last.

The tax on maize will vary according to the relation between the price on maize and pork, at present approximately 1 to 10. With a rise in the price of pork in relation to maize, the tax on maize will be proportionately increased, and vice versa, when the change varies by more than half a point within four consecutive weeks. These maize regulations also went into effect from February 24 last.

When grain or grain products are exported from Denmark permission will be granted to the exporter to import a similar quantity subject to a reduced tax. A rebate of the import tax on flour, groats, and other products may be granted wholly or partly when used in the manufacture of "Knaekbrod," macaroni and similar products.

A scheme is established for distributing the proceeds of the tax among the farmers.

Brazil Reduces Duty on Wheat Flour

Mr. L. S. Glass, Canadian Trade Commissioner in Buenos Aires, writes that a Brazilian decree of May 9, 1936, reduces the duty on wheat flour from 154.99 to 123.992 milreis per metric ton (from \$7.90 to \$6.22 per ton of 2000 pounds) under the minimum tariff which applies to imports from Canada. The reduction under the general tariff is from 182.32 to 145.856 milreis per metric ton. The new duty is to go into force 90 days after May 8, 1936, and is to remain in force for a period of two years.

In addition to the foregoing duty, there is a surtax of 10 per cent of the duty.

Duty on Newsprint Imported into Brazil

Mr. L. S. Glass, Canadian Trade Commissioner in Rio de Janeiro, writes under date May 9, 1936, that newsprint paper watermarked with lines only enters free of duty into Brazil. Duty-free entry has hitherto been accorded only to newsprint bearing the watermark of the publisher's name. This decision is of a temporary nature awaiting proper constitutional action.

Suspension of the Issuance of Foreign Exchange for the Importation of Luxury Goods in Chile

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, Peru, writes that he is in receipt of advice from Santiago, Chile, to the effect that the Exchange Control Board of Chile has announced the indefinite suspension of the importation of automobiles, radios, and other luxury articles into that

country as from May 15 (see *Commercial Intelligence Journal* No. 1686: May 23, 1936). The reason assigned was the need of restricting the issuance of foreign exchange in order to provide for the importation of articles of prime necessity such as medicinal products. In a further statement the board pointed out that confusion had been caused in interpreting the above as a suspension of importation instead of suspension of the issuance of foreign exchange.

New Siamese Customs Duties

Some rates of duty in a Siamese customs tariff, which became effective March 22, 1936, expressed in bahts (one baht equals about 45 cents), with approximate equivalents per pound in Canadian currency, are: tinned vegetables, 0.05 per kilo (1 cent); tinned fruit, 0.10 (2 cents); canned salmon, 0.18 ($3\frac{3}{4}$ cents); wheat flour, 0.025 ($\frac{1}{2}$ cent); tomato juice and other sauces, 0.12 ($2\frac{1}{2}$ cents); electric batteries, 0.18 ($3\frac{3}{4}$ cents); patent medicines, dry, 1.50 per kilo (31 cents). All the foregoing were formerly 25 per cent ad valorem.

Liquid patent medicines are changed from 25 per cent ad valorem to 1.50 baht per litre (77 cents per quart). Rubber tires, formerly $33\frac{1}{3}$ per cent ad valorem, become 1.20 baht per kilo (24 cents per pound) for casings and 2.20 bahts per kilo (45 cents per pound) for tubes. Machine belting, formerly 5 per cent ad valorem, is now 0.10 baht per kilo (2 cents per pound).

Japan Tariff Changes

Cabled advice from the Canadian Legation, Tokyo, states that changes in the tariff of Japan, effective May 30, increased rates on aluminum, Item 463, as follows:—

	Old Duty	New Duty	Equivalent of New Rate
Ingots, slabs and grainsper 100 kin	4.32 yen	17.70 yen	\$3.90 p. 100 lb.
Bars or rods, plates and sheets . . .per 100 kin	24.97 yen	38.30 yen	\$8.40 p. 100 lb.
Wires and tubesad val.	20%	25%	25%
Aluminum foils	25% ad val.	55.80 yen per 100 kin (including receptacles)	\$12.25 p. 100 lb.
Waste or old, fit only for re-manufacturing. . .	5% ad val.	17.70 yen per 100 kin	\$3.90 p. 100 lb.

The yen (49.85 cents at par) equals 29 cents Canadian at current rate of exchange; 100 kin equals 132.3 pounds.

Duties are also increased on: citronella and lemongrass oil; mineral oils; certain paraffin wax, aspirin; antipyrin; pyramidon; carbonate of guaiacol; and iron bands.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington, and the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, and the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications. Particulars are as follows:—

Public Works Department.—Section 490, Arapuni Scheme: seven 110-kv. oil-immersed circuit breakers, complete with accessories (tenders close Aug. 11).

Post and Telegraph Department.—Eighty miles wire, jumper, twin, enamelled, wool-covered and flame-proofed (tenders close July 28); 500 junction blocks, 15 pairs with covers; 250 junction blocks, 20 pairs with covers; 300 junction blocks, 25 pairs with covers (tenders close June 30); 150 blocks, terminal, 16 pairs (tenders close July 3).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 1

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending June 1, 1936, with the official bank rate. Quotations for the week ending May 26, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 26	Nominal Quotations in Montreal Week ending June 1	Official Bank Rate
Austria	Schilling	.1407	\$.1876	\$.1878	3½
Belgium	Belga	.1001	.1693	.1696	2
Bulgaria	Lev	.0072	.0129	.0129	6
Czechoslovakia	Krone	.0296	.0415	.0414	3
Denmark	Krone	.2680	.2227	.2235	3½
Finland	Markka	.0252	.0219	.0220	4
France	Franc	.0392	.0660	.0660	6
Germany	Reichsmark	.2382	.4033	.4034	4
Great Britain	Pound	4.8666	4.9900	5.0087	2
Greece	Drachma	.0130	.0093	.0093	7
Holland	Guilder	.4020	.6770	.6771	3½
Hungary	Pengo	.1749	.2944	.2950	4
Italy	Lira	.0526	.0787	.0788	4½
Jugo-Slavia	Dinar	.0176	.0229	.0229	5
Norway	Krone	.2680	.2507	.2516	3½
Portugal	Escudo	.0442	.0451	.0453	5
Roumania	Leu	.0060	.0073	.0074	4½
Spain	Peseta	.1930	.1367	.1367	5
Sweden	Krona	.2680	.2572	.2582	2½
Switzerland	Franc	.1930	.3237	.3238	2½
United States	Dollar	1.0000	1.0018	1.0025	1½
Poland	Zloty	.1122	.1877	.1882	5
Argentina	Peso (Paper)	.4245	.3325	.3335	—
Brazil	Milreis (Paper)	.1196	.0860	.0864	—
Chile	Peso	.1217	.0507	.0507	4½
Colombia	Peso	.9733	.5701	.5704	4
Mexico	Peso	.4985	.2781	.2785	4-5
Peru	Sol	.2800	.2492	.2493	6
Venezuela	Bolivar	.1930	.2555	.2556	—
Uruguay	Peso	1.0342	.7984	.7989	—
China (Shanghai)	Dollar	.....	.2975	.2979	—
Cuba	Peso	1.0000	1.0009	1.0014	—
Hongkong	Dollar	.....	.3236	.3233	—
India	Rupee	.3650	.3766	.3779	3
Japan	Yen	.4985	.2925	.2932	3.29
Java	Guilder	.4020	.6808	.6807	4
Siam	Baht (Tical)	.4424	.4574	.4581	—
Straits Settlements	Dollar	.5678	.5845	.5875	—
South Africa	Pound	4.8666	4.9837	5.0025	—
British Guiana	Dollar	1.0138	1.0400	1.0435	—
Jamaica	Pound	4.8666	5.0000	5.0187	—
Other British West Indies	Dollar	1.0138	1.0400	1.0435	—
Martinique	Franc	.0392	.0660	.0660	—
Guadeloupe	Franc	.0392	.0660	.0660	—
Australia	Pound	4.8666	3.9912	4.0070	—
Egypt	Pound (100 Piastres)	4.9431	5.1300	5.1325	—
New Zealand	Pound	4.8666	4.0237	4.0400	—
Argentina	Free	Free	.2760	.2767	—
Brazil	Free	Free	.0561	.0561	—
Chile	Free	Free	.0407	.0407	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The French franc declined again in the fourth week of May following a fortnight of comparative stability. A further flow of gold from Paris was of moderate proportions. It has been intimated that a large short interest still exists in francs, while forward rates continue at heavy discounts. The fall in the franc has been accompanied by a rise of over 2 cents in the pound sterling, which is again quoted over \$5 at Montreal for the first time since last February.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Potatoes for Export to the Tropics (Seed and Table).	349	Wassenaar, Holland	Purchase.
Miscellaneous—			
Whitefish Meal	350	Belfast, Northern Ireland..	Purchase.
Seeds, Tree (Douglas Fir, Sitka Spruce and Western Hemlock).	351	New York, U.S.A.	Purchase.
Chemical Fertilizers	352	New York, U.S.A.	Purchase.
Smokers' Supplies	353	Amsterdam, Holland	Agency.
Leather Motor Gloves	354	Amsterdam, Holland	Purchase and Agency.
Men's Leather Dress Gloves	355	The Hague, Holland	Agency.
Black and Tan Glace Linings (preferably Goat).	356	Port Elizabeth, South Africa.	Agency.
Sole Leather	357	San Juan, Puerto Rico	Agency.
Wooden Folding Carpenters' Rulers.	358	Amsterdam, Holland	Agency.
Slats for Venetian Blinds	359	New York, U.S.A.	Purchase.
Quebec Spruce	360	Rotterdam, Holland	Purchase.
White Spruce, Clear Stock	361	Wormerveer, Holland	Purchase.
Birch and Maple Flooring	362	Utrecht, Holland	Purchase.
Lumber, particularly Douglas Fir, Birch and Maple.	363	Scheveningen, Holland	Purchase.
Ash and Hickory Lumber and Hammer Handle Squares, 10" to 32".	364	Ijsselstein, Holland	Purchase.
Lumber	365	Haarlem, Holland	Purchase.
Lumber, Plywood and Wallboard	366	Haarlem, Holland	Agency.
Lumber and Plywood	367	Amsterdam, Holland	Agency.
Plywood and Wallboard	368	Utrecht, Holland	Purchase.
Nails and Shoe Tacks	369	Mayaguez, Puerto Rico	Agency.
Wire Household Goods	370	Amsterdam, Holland	Agency.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Richmond, June 12; Duchess of Bedford, June 19; Duchess of Atholl, June 26; Duchess of York, July 3—all Canadian Pacific; Antonia, June 19; Andania, July 3—both Cunard-White Star Line.

To London.—Beaverford, June 12; Beaverdale, June 19; Beaverburn, June 26; Beaverbrae, July 3; Beaverhill, July 10—all Canadian Pacific; Alaunia, June 12; Ascania, June 19; Aurania, June 26; Ausonia, July 3—all Cunard-White Star Line.

To Manchester.—Manchester Regiment, June 11; Manchester Citizen, June 18; Manchester Port, June 25; Manchester Producer, July 2; Manchester Commerce, July 9—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Norwegian, June 12; Kastalia, June 30—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montrose, June 27; Montclare, July 4—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Bristol City, June 20; Boston City, July 9—both Bristol City Line.

To Glasgow.—Letitia, June 12; Airthria, June 19; Athenia, June 27; Sulairia, July 3—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnross, June 11; Cairnesk (calls at Dundee), June 25; Cairnglen, July 9—all Cairn-Thomson Line.

To Aberdeen and Hull.—Kelso, June 18; Kyno, July 19—both Ellerman's Wilson Line.

To Dublin and Belfast.—Dunaff Head (does not call at Belfast), June 17; Lurigethan, June 28—both Head Line (cargo accepted for Londonderry and Cork).

To Antwerp and Havre.—Beaverford, June 12; Beaverburn, June 26; Beaverbrae, July 3; Beaverhill, July 10—all Canadian Pacific (do not call at Havre); Kings County, June 25; Grey County, July 7—both County Line.

To Rotterdam.—Alaska, June 26; Brant County, July 8—both County Line.

To Hamburg.—Frankfurt (calls at Bremen), North German Lloyd Line, June 12; Beaverdale, Canadian Pacific, June 19; Kellerwald (calls at Bremen), Hamburg-America Line, July 10.

To Copenhagen, Gothenburg and Baltic Ports.—Braheholm, Swedish-America-Mexico Line, June 22.

To Norwegian Ports.—Tyriffjord, Norwegian-America Line, early June.

To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.—Aakre, Gardiaz Line, June 18.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Lena, June 30; Capo Olmo, July 28—both Capo Line.

To Marseilles, Genoa, Barcelona and Spanish Ports.—Gunvor, Canada-Mediterraneo Line, June 13.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., June 19; Skagatind (does not call at St. Pierre), June 15; Delia (calls at Trinity and Conception Bay ports), June 25; Maisol (does not call at St. Pierre), July 8—all Shaw SS. Co. Ltd.

To Cornerbrook, Nfld.—North Voyageur, Clarke SS. Co., June 15 and 27.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Cornwallis, June 11; Colborne, June 25—both Canadian National.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Lady Rodney, June 10; Cavalier (does not call at Hamilton or Nassau), June 19—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Flint II, Ocean Dominion SS. Corp., June 12.

To Brisbane, Sydney, Melbourne and Adelaide.—Canadian Constructor, July 24; Canadian Cruiser, Aug. 28—both Montreal Australia New Zealand Line.

To Auckland, Wellington, Lyttelton, Dunedin and Bluff.—Canadian Conqueror, June 19; Canadian Victor, July 24—both Montreal Australia New Zealand Line.

To Manila, Hongkong, Shanghai, Yokohama and Dairen.—Rhexenor (does not call at Yokohama or Dairen), Blue Funnel-Java New York Line, June 13; City of Derby, Canada Far East Line, July 6.

To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Rhesus (does not call at Freetown or Lourenco Marques), June 15; Matheran, June 27—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.—City of Shanghai, June 10; City of Birmingham, July 10—both Ellerman & Bucknall SS. Co.

To Colombia, Ecuador, Peru and Chile.—A steamer, Canadian National, monthly.

To Santos and Buenos Aires.—Nordkap (calls at Montevideo but not at Santos), Canada-South America Line, June 10; Nicoline Maersk, International Freightage Corporation, June 20.

From Quebec

To Southampton.—Empress of Britain, June 12 and 27; Empress of Australia, June 19—both Canadian Pacific.

From Saint John

To Manchester.—Manchester Brigade, Manchester Line, June 27.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, June 10; Lady Nelson, June 24—both Canadian National.

To Kingston and Jamaican Outports.—Crawford Ellis, June 12; Harboe Jensen, June 19—both United Fruit Line.

From Halifax

To Liverpool.—Nova Scotia, June 13; Newfoundland, June 30—both Furness Line.

To London and Hamburg.—Waukegan, June 20; Capulin, July 4—both American Hampton Roads (call at Hull, Leith and Dundee).

To Aberdeen, Newcastle and Hull.—Cavallo, June 12; Trentino, July 9—both Ellerman's Wilson Line.

To Copenhagen and Baltic Ports.—Pilsudski (calls at Gdynia), Gdynia-America Line, June 15.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Amherst, June 8; Fort Townsend, June 15—both Furness-Red Cross Line; Nova Scotia (does not call at St. Pierre), Furness Line, June 13; Magnhild, Newfoundland-Canada SS. Ltd., June 15; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., June 17.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, June 18; Lady Nelson, July 2—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Flint II, Ocean Dominion Line, June 17.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B., June 17; Ciss, July 1—both Pickford & Black Ltd.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Cornwallis, June 15; Colborne, June 29—both Canadian National.

*To Kingston (Jamaica) and Belize (British Honduras).—*Cathcart, June 8; Cavalier, June 22—both Canadian National.

*To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—*Siamese Prince, June 20; Silverwalnut, July 4; Malayan Prince, July 18—all Silver-Prince Line.

*To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—*A steamer, Java-New York Line, July.

From Vancouver

*To Yokohama, Kobe and Osaka.—*Hikawa Maru, June 13; Hiye Maru, June 27; Heian Maru, July 18—all Nippon Yusen Kaisha.

*To Yokohama, Kobe, Shanghai, Hongkong and Manila.—*Empress of Asia (calls Nagasaki), June 10; Empress of Canada (calls Honolulu), June 27; Empress of Russia (calls Nagasaki), July 11; Empress of Japan (calls Honolulu), July 25—all Canadian Pacific; Tyndareus, June 28; Ixion, July 26—both Blue Funnel Line (call at Miike but not at Manila).

*To Manila, Hoilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—*A steamer, Silver-Java Line, July.

*To Honolulu, Suva, Auckland and Sydney.—*Niagara, June 17; Aorangi, July 15—both Canadian-Australasian Line.

*To Auckland, Wellington, Melbourne and Sydney.—*Golden Coast, June 15; Golden Bear, July 18—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

*To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—*Limerick, Canadian-Australasian Line, July 14.

*To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—*A steamer, Empire Shipping Co., June.

*To Sydney, Melbourne and Adelaide.—*Sheafcrown, June; a steamer, June; a steamer, July—all Australian Freight Line.

*To London, Liverpool and Rotterdam.—*Nebraska, June 13; Narenta (calls at Glasgow), June 27; Dinteldyk, July 11—all Holland-America Line.

*To London, Liverpool and Cardiff.—*A steamer, Reardon Smith Line, June.

*To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—*A steamer, East Asiatic Co., June.

*To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—*A steamer, Empire Shipping Co., June.

*To Scandinavian Ports.—*Margaret Johnson, June 3; Buenos Aires, Aug. 6—both Johnson Line.

*To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—*A steamer, Empire Shipping Co., June.

*To Port of Spain (Trinidad) and Bridgetown (Barbados).—*A steamer, Canadian Transport Co., June.

*To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—*A steamer, Silver-Java Pacific Line, June.

*To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—*Hoyanger, June 22; a steamer, July 22—both Empire Shipping Co.

From New Westminster

*To London and Liverpool.—*Moveria (calls at Glasgow), Balfour Guthrie & Co., June 11; Vancouver City (calls at Cardiff), Reardon Smith Line, June 13; Nebraska (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., June 15.

*To United Kingdom Ports.—*Gothic Star, American Mail Line, June 9; Selma City, B. W. Greer & Son Ltd., June 11; Peebles, Anglo-Canadian Shipping Co., June 13.

*To Yokohama, Kobe and Osaka.—*Nanman Maru, Yamashita Shipping Co., June 9; Tyndareus, Dodwell & Co., June 10.

*To Australian Ports.—*Roxen, Empire Shipping Co., June 11.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

Netherlands India

ACTING TRADE COMMISSIONER. Address for letters—P.O. Box 84, Batavia, Java. Office—Chartered Bank Building, Melacca St., Batavia, Java. *Cable address, Canadian.* (This office is administered as a branch office of that at Singapore—*see under British Malaya.*)

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martín, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

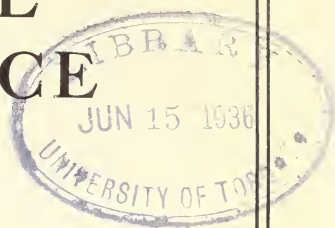
Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, June 13, 1936

No. 1689



Unloading Canadian Goods at a British Port

Courtesy Canadian Pacific Railway Co.

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittance, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, June 13, 1936

No. 1689

IMPERIAL FRUIT SHOW, 1936

The 1936 Imperial Fruit Show will be held at Renshaw Hall, Liverpool, from October 30 to November 7. Apple growers, canners, and apiarists desiring to compete may obtain a copy of the schedule and entry forms upon application to the Fruit Branch, Department of Agriculture, Ottawa.

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour: Mr. V. E. Duclos, Hongkong (whose territory includes South China, the Philippines, and Indo-China); Mr. L. M. Cosgrave, Melbourne, Australia; and Mr. M. B. Palmer, Mexico City (whose territory includes Guatemala, Honduras, and Salvador). Following are their itineraries as at present arranged:

Mr. Duclos

Calgary June 16

Winnipeg June 18

Mr. Cosgrave

Toronto and district . . . June 10 to 24

Montreal, Valleyfield,

Granby, St. Hyacinthe . . June 29 to July 15

Sackville July 16

St. John July 17

Mr. Palmer

Montreal June 15 to 17

Toronto and Mimico . . . June 18 to 27

Guelph June 29

Kitchener, Waterloo . . . July 2

Stratford July 3

Preston, Galt July 6 and 7

Hamilton July 8 and 9

St. Catharines, Welland . . July 10

Brantford July 13

Woodstock, Ingersoll . . . July 14

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto and Winnipeg, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

LONDON HONEY MARKET

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

London, May 15, 1936.—Although the imports of honey into the United Kingdom have shown a steady decline from 80,426 cwts. in 1932 to 64,029 cwts. last year, the average has been comparatively well maintained when the period of the last ten years is considered. At the same time, while no accurate figures are available, it is estimated that the production of honey in this country has increased considerably during the period and now probably amounts to 40,000 cwts. This figure was given for the year 1935, which was an excellent one.

It seems probable therefore that, despite the relative stability of imports, the consumption of honey since 1925 has increased; but the per capita consumption, estimated in 1927 at about one-fifth of a pound, is very small.

On the other hand, whereas ten years ago over 50 per cent of the honey imported into the United Kingdom was from foreign countries, to-day the reverse is true, the bulk being of Empire origin. In this connection the following table of imports is of interest:—

Imports of Honey into the United Kingdom

Year	Total	From Empire Countries	From Foreign Countries	From Canada
		Figures in Cwts. of 112 Lbs.		
1925	76,477	36,985	39,492	3,162
1926	64,115	29,708	34,407	4,800
1927	84,415	35,808	48,607	6,487
1928	70,958	35,196	35,762	3,161
1929	97,060	47,848	49,212	9,438
1930	66,997	32,096	34,901	11,819
1931	78,228	40,867	37,361	17,155
1932	80,426	41,983	38,443	19,648
1933	79,759	43,632	36,127	19,034
1934	65,342	38,064	27,278	15,489
1935	64,029	45,646	18,383	15,122

In this table comparative figures for imports from Canada have been given to show the rapid rise from 1925 to 1932, when the total of 19,648 cwts. was reached. Since the latter year some decline has taken place, until in 1935 the total was only 15,122 cwts., but the percentage of honey supplied by the Dominion has been well maintained. In 1932, which was the peak year of Canadian shipments, the Dominion supplied 24·4 per cent of the total imports. In 1934 the figure fell to 23·7 per cent; but in 1935 it reached 25·1 per cent, the highest recorded. It seems evident, therefore, that the relative demand for Canadian honey on this market has not suffered any setback.

Nevertheless, it is disappointing to find a continuous decline in imports, especially when, as was the case, it was accompanied by a substantial fall in prices. Before proceeding to the discussion of factors influencing this situation, it is desirable to reproduce the following detailed table of imports for 1934 and 1935 by principal supplying countries:—

Imports of Honey into the United Kingdom by Countries

	1935		1934	
	Cwts.	£	Cwts.	£
Jamaica	17,185	17,656	14,154	20,616
Canada	15,122	32,143	15,489	35,532
New Zealand	9,261	32,215	5,710	19,459
United States	5,997	13,649	11,990	22,173
Mexico	2,922	3,835	1,791	2,342
Australia	2,584	4,144	2,609	3,984
Chile	2,331	3,056	4,120	5,365
San Domingo	1,324	1,434	3,218	3,735
Cuba	1,313	1,639	2,488	3,278
Guatemala	1,023	1,281	915	1,342
Russia	261	601	961	1,483
Others	4,706	8,130	1,897	3,993
Total	64,029	119,783	65,342	123,302

PRICES

The above figures, besides showing the quantities supplied by each country, can be used to obtain the average c.i.f. prices of the imports of honey from various sources. In 1934 the average price for Jamaican was 29s. 1d. per cwt. (of 112 pounds); in 1935 it was only 20s. 6d. The average c.i.f. price for Canadian also declined from 45s. 10d. per cwt. in 1934 to 42s. 7d. per cwt. in 1935. On the other hand, the New Zealand product rose from 68s. 6d. to 69s. 8d. per cwt. according to the above table.

It would be a mistake, however, to take these as being an accurate indication of the true values of the honey sold in this market. As an example, the

average return shown for New Zealand honey is about 69s., although large parcels are known to have been sold here during the past year at as low as from 20s. to 30s. per cwt. The average figure given for New Zealand honey, therefore, seems unusually high, and may possibly be accounted for by the fact that it is imported largely for one account on a consignment basis for bottling under a particular label. The high invoiced price presumably includes substantial provision for advertising, storage, etc.

TYPES OF HONEY

The price of honey naturally varies according to the demand for any particular type, as each type is used for a specific purpose. Canadian honey, for example, is used almost exclusively for the table trade, and is consistently of good white colour. In addition, Canadian is generally required in blending owing to its quick-setting qualities. New Zealand honey, which is generally of pale yellow colour, is also for table use. About 60 per cent of the Jamaican is used for the table trade, while the dark Jamaican and most other darker honeys go principally to the manufacturing trades where flavour, and not colour, is the determining factor. Each type of honey, however, reaches this country in a variety of grades. Some Jamaican is of pale amber colour, and even of fine white, and as such brings a much higher price than the standard grade. This year, for example, light Jamaican has been sold on the London market for as high as from 40s. to 45s. per cwt., although the bulk of the crop probably sold at a much lower figure—from 30s. to 25s. or even less. Other types of amber honey, such as Mexican and Chilean, also bring low prices, down to at least 23s. per cwt. plus customs duty of 7s. per cwt., while even some Australian is reported as selling at about this figure.

On the other hand, New Zealand honey, well-graded and of good colour, is offered at from 60s. to 70s. per cwt., but the circumstances in this case are out of the ordinary. It can be said, however, that recently parcels of New Zealand, apparently surplus stock, have been placed at from 20s. to 30s. in London. In all cases, prices seem to have suffered a decline over the past three years; even English honey, which a few years ago brought as much as from 100s. to 110s. per cwt., has this year been comparatively freely offered at 80s., with prices in some cases being much below this, even down to 56s.

CANADIAN PRICES

This decline in prices has also been reflected in the Canadian product. Three years ago No. 1 White Clover sold on the London market within the range of from 46s. to 48s. per cwt. In 1934 the figures to the trade ex warehouse were from 43s. to 45s., while for 1935 the average was down to from 40s. to 42s. per cwt. Here again, these figures necessarily represent averages for good-quality No. 1 White Clover. Many parcels of less desirable qualities have naturally been sold at prices below these; in other instances prices up to 45s. have been realized during 1935-36.

The following will give a general idea of the ruling prices for various honeys in 1935-36, but they should not be regarded as conclusive:—

Prices of Honey ex Warehouse, London

	s. d.	s. d.
English	70 0	80 0
Canadian white clover	40 0	42 0
Australian white clover	22 0	40 0
United States white clover or orange bloom	47 6*	....
Mexican light amber	32 6*	....
Chilean	33 0*	....
New Zealand	50 0	70 0
Jamaican pale amber	30 0	40 0
Guatemalan light amber	30 0	35 0*

ENGLISH HONEY

Although there are a number of beekeepers' societies in Great Britain, repeated attempts to organize a strong, active honey producers' association have always failed. Consequently, following several years of increasing production, prices have fallen greatly. The lack of any strong marketing organization and the practice of producers of marketing their honey direct to local retail and other merchants has done much to bring the price down from its high level of a few years ago. In this country honey is seldom the farmer's major crop, so that the need, from his point of view, of market organization has never appeared as important as in the case of other products.

The situation outlined above has resulted in some concerted action by groups of English honey producers who, as a result of poor prices, have been agitating for increased tariff protection. There is a customs duty of 7s. per cwt. on foreign honey imports, but Empire honey has been gradually supplanting foreign. Some concern has been manifested by English honey producers at the reported increase in the sale of so-called prepared honey. This is the blending of a portion of imported honey with invert sugar on such a basis that it can be retailed at much less than the price of pure honey. This product is widely used, especially in the poorer districts, and the fact that it retails at 9d. per pound as against 1s. for pure honey, gives it a special appeal in certain areas.

JAMAICAN

The handling of Jamaican honey is probably typical of the method used for all the darker varieties reaching this market. Setting aside altogether the question of quality, packing, etc., the procedure is normally for the overseas producers to consign to an importer in London. This honey is then usually parcelled out among brokers, who draw samples and sell on the market to merchants, bottlers, etc. The importer handling the stock usually finances the honey, carrying it in stock until sold. The broker charges a selling commission of probably $2\frac{1}{2}$ per cent, of which $1\frac{1}{2}$ or 2 per cent is paid by the seller and the balance by the buyer. The merchant or bottler, after such processing as is desirable, then disposes of the finished product for resale to the final consumer. The expenses involved may therefore be fairly heavy; but this method is of long standing and probably suits the handling of honeys which vary greatly in quality and colour.

NEW ZEALAND

A distinctive method of handling New Zealand honey was evolved a number of years ago, and appeared practicable because of the marketing supervision that was exercised. Under this method all or practically all sales were placed in the hands of one London firm for the whole of the United Kingdom. This firm undertook, in addition to the general sale of bulk honey, to market New Zealand honey under a distinctive label and in distinctive packages. The blending and bottling necessary to do this were undertaken by the firm, who were experienced in this trade and who made complete arrangements for the sale of the product throughout the country. As part of the scheme, an extensive advertising program was provided.

The fact that New Zealand honey is probably better known by the retailer and consumer than any other shows that the scheme has been successful, at least to this extent. Nevertheless, the total sales of New Zealand honey in the United Kingdom still remain relatively small, being only slightly over 9,000 cwts. in

1935. Moreover, the expense involved in selling by this method must be heavy, so that it seems doubtful whether the net return to farmers in New Zealand is even as great as, for example, that obtained by Canadian producers.

While, on the one hand, the method employed antagonizes the importing trade and at the same time restricts the number of available outlets, being a branded product, on the other hand quality is rigidly controlled and a valuable brand name is being built up and established on the market. In this case continuity of policy is of greatest importance, for any change in procedure might possibly find the general trade unwilling to handle the New Zealand product freely again.

CANADIAN

There has been no continuity of policy in the sale of Canadian honey to the United Kingdom for many years past. Probably the constant alteration in marketing methods has had a more adverse effect on the demand for Canadian honey and its price than any other single factor. During the past three years the price of Canadian No. 1 White on this market has fallen from a high of from 50s. to 60s. per cwt. to as low as 35s., at which some parcels were known to have been sold this year. Although prices of all honey have declined, it seems doubtful whether the price of Canadian would have reacted so seriously under other conditions.

During the period under consideration divers methods of marketing have been employed, until at the present time a condition almost representing chaos exists. Certain co-operative producers, much diminished in number and importance, are still operating, but meanwhile an increasing number of shippers, both large and small, have been offering supplies freely, sometimes at ridiculous prices, direct to consumers in the British market.

Canadian honey generally is well liked. The grading is approved in most respects. The honey is of good quality and is eminently suitable for blending purposes. The majority of bottlers here prefer it blended, as they consider it is a better and more desirable table product when mixed with other varieties, but they all agree as to its value and qualities. They are therefore prepared to pay a reasonable price for it. Moreover, there is hardly a bottler who does not use some quantities, usually substantial.

The difficulty arises, however, when after purchasing say at 46s. he finds he can buy Canadian honey of equal quality from another shipper at shillings less than he has already paid, or if he finds his competitor has been able to purchase at substantially less than he has. The effect is to restrain him from further buying, or at least he endeavours to force the price of his regular supplier down. This intense competition which has unfortunately developed among Canadian shippers is an important reason for the present price level.

Some producers have continued to operate on this market through the customary channels of merchant and broker, but a great many, hoping to obtain some price advantage, have followed the practice of shipping direct to bottlers and others. The result has naturally been to cause all prices to fall, and to make forward contracts almost impossible. If the sale of Canadian honey were entirely in the hands of several reliable brokers here, a measure of price control might readily be possible. This would also presuppose some measure of control in Canada, and in this connection it is very important that it become a policy covering a period of years, one of five or ten years being essential. Continuity in this respect is just as important as are regular supplies.

ECONOMIC CONDITIONS IN THE NORTH OF ENGLAND

H. R. POUSSETTE, CANADIAN TRADE COMMISSIONER

Liverpool, May 11, 1936.—The rate of progress in the steadily improving economic conditions is being maintained in the North of England. In Lancashire, where the industrial centres have been so seriously affected by the depression, a cheerful attitude prevails. Viewing the country as a whole and comparing the position at April 27 of this year with that of the same date of 1935, the greatest reductions in unemployment occurred in engineering and allied trades, cotton, building, shipbuilding and repairing, woollens and worsteds, coal mining, and iron and steel; but in the North of England during the period March 23 to April 27 there was an increase in unemployment in coal mining and in the woollen and worsted and hosiery industries.

IRON AND STEEL

Great activity is being maintained in the iron and steel consuming trades, which is likely to continue over the present year. Pressure on works for the delivery of pig iron in the Cleveland area indicates a strong position.

Steel plants are reported to be working to capacity. It was recently reported from Sheffield that the pressure for supplies was so great that one of the larger iron companies in Derbyshire felt impelled to relight a furnace that had not been in blast for six years. Basic steel and billet manufacturers are finding it difficult to cope with the demands made upon them. Railway requirements, and automobile and cycle industries, are keeping the strip and bar mills well occupied.

In cutlery and place, except silverplate, conditions are favourable. The demand for precision tools has become a feature in some Sheffield industries, probably due in large part to the increasing armament orders. The Sheffield Chamber of Commerce reports that Sheffield is now producing 1,500,000 tons of steel annually, which is greater by over 300 tons than the previous record year of 1929.

ENGINEERING

The engineering industry reports busy conditions, and Derbyshire, Yorkshire, and Lancashire share in the business that is being prepared under the Defence Scheme. The public works program, which includes road building and bridge construction, is a very important factor. Substantial orders have been received from abroad. One large contract, for the electrification of the Central Railway of Brazil, involving £1,500,000, has been awarded to a Lancashire firm.

SHIPBUILDING

Shipbuilding has improved considerably, partly due to the expenditures necessary under the Naval contracts and partly also to the requirements of new tonnage of shipping companies.

Substantial orders have been placed in the last few months, including two 24,000-ton liners for the P. and O. Steamship Company, which has gone to a Barrow firm. This order will afford employment for 1,800 men for two years. One large firm in Barrow have thirteen ships on the stocks or in hand, necessitating two shifts per day and the employment of over 11,000 men. Some of this work is for the Admiralty and foreign governments and includes four submarines, two destroyers, and a training cruiser.

COAL

The coal trade is somewhat quiet and supplies are reported to be plentiful. While the home demand is fair, the export markets leave something to be desired and the forward position is difficult.

The plant of the Imperial Chemical Industries, Hillingham-on-Tees, to which reference has been made in previous reports, is now working to capacity, and in February produced 80,000 tons (7,500,000 gallons) of petrol from coal.

COTTON

Conditions in Manchester are holding their own; Lancashire mills are taking more cotton this year than last. Naturally this trade is greatly affected by the world position that is showing some slight improvement. Excluding Italy and Germany, which do not furnish the returns of their cotton mills production or stocks to the International Cotton Federation, consumption for the first half of the present season was 12,514,000 bales, which is 700,000 bales more than in the same period of last year. Consumption in the United Kingdom for the half-season ending January 31 last is the best since the corresponding period ending January 31, 1930. The British spindleage at January 31, 1936, is reported as 42,307,000, which is nearly 400,000 less than at July 31 last year, and is over 15,000,000 less than for the peak year 1927.

WOMEN'S DRESSES IN THE NORTH OF ENGLAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

IMPORTS

Liverpool, May 13, 1936.—Women's dresses are not listed separately in the United Kingdom trade returns. The statistics available are given under the collective heading of "women's costumes, dresses, coats, skirts and the like," and were as follows for the years 1931 to 1935 inclusive:—

	1931	1932	1933	1934	1935
	£	£	£	£	£
Total	3,109,787	765,281	1,097,357	968,931	1,001,689
Germany	1,368,723	407,187	528,220	387,891	421,647
France	678,517	166,846	217,116	167,317	166,122
United States	112,574	43,455	144,501	154,112	140,824
Austria	356,609	54,277	98,906	139,091	164,596
Canada	10,993	5,494	15,211	21,422	.....

Imports from Canada are not given in the interim statistics for 1935, but it may be taken that they make up at least 75 per cent of the imports from British countries which in 1935 were to the value of £28,100.

During the period covered by the above figures the yearly percentage of total imports from Germany has remained fairly constant, the only change being from 44 per cent in 1931 to 42 per cent in 1935; France's share was reduced from 22 per cent to 16 per cent; the United States improved her trade from 3½ per cent to 14 per cent, Austria from 11½ per cent to 16 per cent, and Canada from a negligible figure to 2 per cent.

COTTON DRESSES

Cotton dresses, though not so widely worn as in Canada and the United States, have been more in evidence in England during the past two or three years. While English manufacturers can turn out cotton materials that are second to none, their trade in dresses suffers to a certain extent from competition with American styles and designs. There exists in this country, therefore, a market for imported cotton dresses, both for women and children, and to date the United States has been supplying the bulk of the demand.

The frocks imported consist largely of the less expensive prints in fast colours. They are sold entirely on their advance styles and because the material is "something different" from that produced in England. Children's dresses range in delivered prices from \$3.50 to \$8.50 per dozen, and women's from approximately \$8 to \$30 per dozen. Foreign cottons pay duty at the rate of 20

per cent ad valorem, or 30 per cent if embroidered or lace-trimmed, while Canadian enter duty free. (It is to be noted that the presence of silk or artificial silk in any form involves the application of silk duties.)

Orders are generally given for bulk shipments, and where good understanding exists they are very often placed well in advance to ensure punctual deliveries.

SILK DRESSES

Though it is estimated that the English manufacturers supply nearly 90 per cent of the demand for silk, artificial silk, and rayon dresses, substantial trade is done in those imported from abroad. Before the imposition of the tariffs in 1932, Germany and Switzerland, and one or two other Continental countries, supplied a fair share of the silk dresses worn by English women. Since that date the trade that has not been absorbed by the domestic manufacturers and those foreign firms who have established branches in England is now principally catered to by the United States, France, and Austria. The dresses from the United States are confined chiefly to the less expensive type, and it is in this class that Canadian manufacturers, assuming that their goods are of the necessary standard in style and design, should find a market.

In buying silk and artificial silk dresses, a leading departmental store in Manchester, which caters to the lower- and middle-class business, does so at prices to enable sales to be made at the following levels and at the same time to yield a profit of at least 33½ per cent: 12s. 11d. (\$3.23), 19s. 6d. (\$4.85), 29s. 11d. (\$7.48), 45s. 11d. (\$11.48), 63s. (\$15.75). These prices represent the range at which they sell most of their American dresses, and include duty at 43½ per cent, freight, and insurance. Silk or artificial silk dresses from Canada pay duty at the rate of 36¼ per cent ad valorem. Alternative rates per pound are leviable where they would yield a greater amount of duty, namely, 12s. per pound in the case of silk dresses or artificial silk dresses containing a silk component, and 5s. per pound in the case of artificial silk dresses containing no silk component. Preferential rates, accorded to Canada, are one-sixth lower, 10s. and 4s. 2d. per pound respectively.

French and Austrian silk dresses are in another and more expensive category. Quick deliveries are essential in this class of business, and proximity to the English market makes it possible for buyers to visit the Continent at short intervals, and for the manufacturers to keep their agents in London well supplied with ever-changing smart and stylish models. The delivered prices for these dresses usually range upward from £2 5s. (\$11.25). Even at £2 5s. a customer expects a dress to be reasonably exclusive. A prominent Liverpool store usually buys the better-class models in the following lots: to sell at from £2 12s. 6d. (\$13.15) to £3 3s. (\$15.75), up to three of the same style; from £3 3s. (\$15.75) to £4 4s. (\$21), up to two of the same style; from £4 4s. (\$21) to £5 5s. (\$26.25), only one of the same style.

AMERICAN AND ENGLISH STYLES

It is considered that the American style sense is more developed, and that the fitting of their dresses sets them apart from the English, though the workmanship is reported not as good. The English manufacturers, however, are rapidly overcoming this handicap. In evening gowns it is useless for Canada or the United States to quote unless the buyer can see the gown and have it in his shop within ten days. This is a specialty trade.

American and Canadian dresses are definitely of interest because the leading stores are always on the lookout for novel styles, fitting, or material. The reason is that English materials are bound to be duplicated many times by the various manufacturers, although the styles may be different. There is always the possibility therefore that an English dress will be compared by the customers

to a dress of very similar or the same material in other shops. Should one merchant cut the price on this dress, it means that all the others have to do likewise. If, however, a shop obtains dresses made of material that is new to this market, and the Canadians and Americans have these materials, it is in an advantageous position in regard to price and merchandise. This is considered a strong point in favour of imported dresses.

English dresses are not made in so many sizes as the Canadian and American. The between sizes of Canada and the United States are a definite asset.

MARKETING

The marketing of imported dresses is almost entirely done through agents who maintain headquarters in London. Buyers from all over Great Britain visit London frequently, usually twice a month, where they can inspect the gowns at the agents' showrooms and thus keep their stocks abreast of the latest styles and fashions. Considerable business is also done by these agents through travellers who call on the provincial shops. These travellers confine their efforts chiefly to calling on the smaller shops that cannot send representatives to London and to keeping in touch with the larger ones. English dresses, on the other hand, are usually sold direct from the manufacturer to the stores. These manufacturers maintain showrooms in London, and their travellers make regular visits to the provinces.

Foreign manufacturers when appointing an agent try to secure one with well-established connections in the trade, with headquarters in London.

Dresses are also purchased direct from manufacturers by buyers visiting the Continent frequently. Sales effected in this way are credited to the manufacturer's London agent. Visits to North America are made at infrequent intervals by representatives of a few leading firms.

There are a few large wholesale firms who buy foreign dresses outright. These operate on the basis of small profits and do not figure prominently in the selective branch of the trade.

Agents for foreign manufacturers usually operate on a substantial commission with a fixed sum guaranteed, or on a commission plus a drawing account. Where the agent is exclusive and is not allowed to handle any other merchandise, he usually receives a salary plus from 10 to 12½ per cent commission. Agents travelling throughout the country either operate on salary plus a small commission (about 2 per cent), or on commission alone of from 10 to 15 per cent. The method of operation depends entirely on the type of merchandise they are selling. The man on the small commission sells the cheaper lines and works on the principle of large turnover and small profit. The high-commission man sells to the exclusive trade and probably only to one or two merchants in each city. For this reason he gets a higher commission to compensate for the higher expenses involved and the small turnover.

BUYING SEASONS

There is no distinct buying season for women's dresses. It is continuous, though there are times in the year when sales are greater than others. These periods are usually just after the January and July fashion shows, when considerable buying is done for spring, summer, autumn, and winter. The main buying of American goods naturally is just in advance of these months. In respect to cotton dresses, the greatest volume of buying is done towards the end of February and during March, since this type of dress is largely worn during the summer months.

LONDON AND THE PROVINCES

For quality merchandise there is no difference in the tastes between (say) Liverpool and London. All the better stores follow the lead of London and endeavour to keep their provincial customers abreast of the London fashions.

OVERSEAS ASSETS

An interesting statement now provided is that regarding the overseas assets of the trading banks and of the Reserve Bank, held on account of New Zealand business, and also of the overseas liabilities. The surplus of overseas funds still available of over £36,000,000, compared with £40,000,000 a year previously and over £46,000,000 in April-June, 1935, the height of the export season, is perhaps an indication of the continued difficulty of obtaining remunerative investment in New Zealand, while there are ample funds abroad available for any further increase in volume of imports, or other eventualities, including the £11,000,000 that must be found annually for overseas interest payments by the Dominion and local government bodies of the country.

SAVINGS BANK DEPOSITS

The deposits with savings banks are featured in the statistics of New Zealand. The Post Office Savings Bank had 817,617 depositors at March 31, 1935, with deposits of £49,423,714, an increase from 798,262 depositors with £44,870,391 invested at March 31, 1934. The large sum represented forms a useful accretion of funds principally invested in government securities. In addition, there are five trustee savings banks located in different cities, whose investments are distributed over government and local body securities and on first mortgages of property. They are not run for profit but devote some of their surplus earnings to charitable, educational or social purposes. These institutions had 227,925 depositors with £11,286,062 to their credit at March 31, 1935, compared with 219,732 depositors with £10,847,709 on deposit a year previously.

The limitation imposed on amount of deposit upon which interest will be paid encourages individuals to open accounts with both types of institution, but the remarkably high proportion of depositors out of a population of 1,558,140 is worthy of comment, even after allowing for a large proportion of dormant accounts. The increase in total number and amount of deposits is an indication of the improvement that has taken place in the year under review.

RESERVE BANK

The Reserve Bank of New Zealand has been operating since August 1, 1934, and sufficient time has elapsed to provide comparative statistics regarding its operations, which are set out in the following table:—

*Comparative Statements of the Reserve Bank of New Zealand for
December 31, 1934, and December 30, 1935*

	Dec. 31, 1934	Dec. 30, 1935
	£ (N.Z.)	£ (N.Z.)
Capital and reserve	1,500,000	1,500,000
Bank notes	9,772,279	10,720,555
Demand liabilities—		
State	6,693,087	3,696,061
Banks	9,071,699	9,678,905
Other	5,899	362,143
Other liabilities	39,918	113,916
Total	27,082,882	26,071,580
Reserves—		
Gold	3,001,731	2,801,733
Exchange	22,092,021	21,398,949
Subsidiary coin	93,700	195,812
Discounts		
Advances		
Investments	1,872,111	1,639,181
Other assets	23,319	35,905
Total	27,082,882	26,071,580
Net reserve ratio (i.e., reserve less liabilities in currencies other than New Zealand currency, expressed as a percentage of notes and other demand liabilities)	98.24%	98.95%

The statement of the Reserve Bank is colourless, with little change in detail in the twelve months, and there are no features necessitating extensive examination, but the announced government policy of taking over at market price all shares of the bank now in the hands of the public will eliminate more or less gradually such features as dividends to shareholders and control by their directors.

As will be observed, there are no discounts or advances recorded in the operations of the Reserve Bank. No doubt the easy position of the trading banks in the past few years has rendered it unnecessary for them to seek advances from "the bankers' bank," and there is of course no bill market existing in New Zealand wherein the Reserve Bank funds could be employed.

OPERATIONS OF THE TRANSVAAL GOLD MINES, 1935

G. B. SMITH, ASSISTANT TRADE COMMISSIONER

Johannesburg, April 29, 1936.—Expansion in the Transvaal gold mining industry continued steadily throughout 1935. The producing mines increased their tonnage milled from 40,055,750 in 1934 to 44,234,650 in 1935, an increase of 10·4 per cent. The yield remained practically steady at 10,564,904 fine ounces compared with 10,486,393 in 1934, but the value of the yield rose from £70,650,927 to £75,048,000, an increase of 6·2 per cent.

It will be noted that the increase in the yield in ounces is much less than that of tonnage milled and, in fact, the average yield per ton milled in 1935 was 4·729 pennyweights as compared with 5·150 pennyweights in 1934. This decrease was not due to exhaustion of the higher-grade ores, but to the policy of mining the lower-grade ores, while the high price of gold permits, adopted by the mines as a means of lengthening their productive life, and was largely counterbalanced by an increase in the average market price of gold from £6 18s. in 1934 to £7 2s. 1d. during 1935.

WORKING COSTS, PROFITS, ETC.

The total working costs of the mines during 1935 amounted to £41,774,000 (£38,984,853 in 1934) and working profit to £32,640,000 (£31,666,074 in 1934), an increase of 3·2 per cent. The amount of the total dividends paid during the year is not yet available, but it will at least equal and probably exceed the amount (£15,878,498) paid in 1934. The total revenue derived by the Government from the mines amounted to £14,378,000, a slight decrease compared with 1934, when it was £14,635,178. Of the total, £4,716,000 was from the Government ownership of mines, £4,654,000 from income tax, and £5,008,000 from excess profits duty and surtax. Final figures of employment are not yet obtainable, but it may be said with confidence that it increased considerably. The total salaries and wages paid out by the mines (including non-producers) amounted to £21,604,000 compared with £19,816,595 in the preceding year, an increase of 9 per cent. Of the total, £12,394,000 was paid to Europeans and £9,210,000 to natives.

NEW MINING ENTERPRISES

The increase in the price of gold has done more than permit the existing mines to mine their low-grade ores profitably; it has made it possible to secure large sums of capital to investigate areas where there are indications of gold in payable quantities. These investigations have met with a very encouraging measure of success and shafts are being sunk in large numbers.

Ten years ago, on the occasion of the fortieth anniversary of the proclamation of the gold fields, the President of the Chamber of Mines suggested that the

celebrations of the event appeared to be based on an unconfessed uneasiness that, when the fiftieth anniversary arrived, there would be little left to celebrate. To-day it is confidently felt that the point of exhaustion of ore reserves has been pushed so far into the future that it is no longer of more than academic interest.

During 1935 one new mine entered the production stage, and it is understood that three more will commence production during the present year. Altogether fifteen new mines are in process of being opened up and twenty-three main vertical shafts are being sunk on these properties. In addition, thirteen new main vertical shafts are being sunk on old-established producers. During 1935 the total footage sunk in all shafts (including inclines) on the mines of the Witwatersrand amounted to 52,845.

GOLD MINING TAXATION

Since South Africa left the gold standard the gold mines have been subject to heavy special taxation designed to give the Government one-half of the additional profit resulting from the gold premium. The mines have considered this taxation to be a serious impediment to the expansion of the industry as it bore equally heavily on low- and high-grade propositions, and particularly as the formulae on which the taxation was based have been changed with practically every budget and have invariably been extremely complicated, introducing an element of uncertainty which, it is claimed, has acted as a deterrent to investors.

The budget for the present year incorporates a new system of gold mining taxation evolved by the Government in conjunction with leaders in the industry. It is designed to provide the Government with the same revenue as the former taxes, but takes into consideration the costs of production and will bear less heavily on the low-grade mines. In addition, small producers are more lightly taxed. It would be too much to say that the new scheme meets with the entire approval of the industry as it does not lessen the total burden of taxation, but satisfaction is expressed with the concessions to low-grade producers and with the new taxation formula, which is comparatively simple and is thought to be sufficiently sound basically to remain unchanged for a reasonable number of years. It is felt that the new scheme will make possible a still greater expansion in the industry.

PURCHASES BY THE GOLD MINES

The increased scale of operations during 1935 has naturally been accompanied by an increase in purchases of mining equipment and materials. The value of total stores consumed by the Transvaal gold mines in 1935 reached the record figure of £23,918,000 as compared with £21,619,279 in 1934, an increase of 10.6 per cent.

In a report entitled "Purchases of Supplies by the Transvaal Gold Mines," appearing in *Commercial Intelligence Journal* No. 1655 (October 19, 1935), it was pointed out that a large part, roughly two-fifths, of the equipment and supplies used by the mines is imported and that leading mining material merchants were interested in getting in touch with Canadian exporters. Details were given regarding the value and the competing sources of supply during 1934 of a long list of articles which it was thought Canadian manufacturers could supply.

It is unnecessary to repeat these details for 1936, because the situation is substantially the same. It will suffice to state that there are still opportunities for Canadian exporters to enter this ever-expanding market, and that this office will be glad to receive catalogues, literature, and price lists on all types of equipment used by the mines, on receipt of which a thorough investigation of sales prospects will be made.

Main Groups	Month of April, 1936			Twelve Months ending April, 1936		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
<i>Imports for Consumption</i>	\$	\$	\$	\$	\$	\$
Agricultural and Vegetable Products.....	7,735,305	1,184,291	2,860,429	111,650,995	18,301,765	31,131,678
Animals and Animal Products.....	1,914,344	320,632	970,654	24,628,103	3,848,329	11,204,575
Fibres, Textiles and Textile Products.....	6,378,394	3,237,929	2,120,369	80,899,955	40,945,037	32,041,193
Wood, Wood Products and Paper.....	1,897,110	217,877	1,519,741	23,591,811	3,511,733	18,119,984
Iron and its Products.....	11,182,917	1,599,166	9,309,989	116,244,808	21,094,742	89,802,131
Non-Ferrous Metals and their Products.....	2,543,958	487,439	1,836,807	34,156,973	5,932,382	23,610,433
Non-Metallic Minerals and their Products.....	6,180,507	839,424	4,857,834	106,190,764	13,277,678	78,447,769
Chemicals and Allied Products.....	2,114,561	471,061	1,230,215	29,978,126	6,394,001	17,319,888
Miscellaneous Commodities.....	2,269,908	481,065	1,523,052	31,957,830	6,292,566	20,524,617
Total Imports, 1936.....	42,217,004	8,838,884	26,229,090	568,299,365	119,618,233	322,202,266
1935.....	36,636,702	7,095,473	23,506,418	524,273,357	112,252,715	305,362,863
1934.....	34,814,498	6,525,248	21,783,527	448,155,829	106,264,542	248,184,218
<i>Exports (Canadian Produce)</i>						
	Total Exports	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States
	\$	\$	\$	\$	\$	\$
Agricultural and Vegetable Products.....	10,061,447	4,688,297	2,114,821	243,534,821	154,161,940	44,402,263
Animals and Animal Products.....	7,112,032	2,596,972	3,941,457	102,887,318	54,885,116	35,673,691
Fibres, Textiles and Textile Products.....	496,712	96,044	74,848	10,404,848	2,337,743	2,648,091
Wood, Wood Products and Paper.....	13,104,215	1,641,915	9,456,940	185,141,322	29,024,924	127,574,889
Iron and its Products.....	2,884,662	632,956	467,602	50,890,331	10,757,416	5,561,068
Non-Ferrous Metals and their Products.....	20,137,279	5,077,737	13,354,837	217,180,638	64,513,896	123,538,497
Non-Metallic Minerals and their Products.....	1,331,085	223,074	876,034	19,672,061	2,356,964	11,830,315
Chemicals and Allied Products.....	1,833,965	190,643	663,314	16,318,763	3,256,966	7,576,522
Miscellaneous Commodities.....	882,433	158,362	604,132	13,110,283	3,154,903	7,595,679
Totals, 1936.....	57,423,830	15,306,000	31,553,985	859,140,385	324,449,858	366,401,016
1935.....	47,313,862	12,412,910	25,455,395	765,657,906	293,029,058	310,606,350
1934.....	38,281,881	10,268,089	19,570,399	693,257,614	305,276,742	227,894,714
<i>Exports (Foreign Produce)</i>						
	Totals, 1936.....	53,425	451,785	13,261,030	903,620	11,623,258
1935.....	720,975	27,503	653,875	7,915,000	800,955	6,441,986
1934.....	464,938	40,934	396,076	6,475,957	722,085	5,049,573
<i>Excess of Imports (i) or all Exports (e)</i>						
Totals, 1936.....	(e) 15,747,172	(e) 6,520,541	(e) 5,776,680	(e) 304,102,030	(e) 205,735,275	(e) 55,822,038
1935.....	(e) 11,398,135	(e) 5,344,940	(e) 2,602,852	(e) 249,319,549	(e) 181,586,298	(e) 11,685,473
1934.....	(e) 3,932,321	(e) 3,784,775	(e) 1,817,052	(e) 251,577,742	(e) 199,734,285	(e) 15,239,931

SERICULTURAL INDUSTRY OF INDIA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, April 7, 1936.—The mulberry worm was probably brought to India from China, and its rearing had become a firmly established industry at the beginning of the Christian era. The principal areas in which it is found at the present time are the Assam-Bengal plain, Kashmir, and Mysore. It was owing to the efforts of the East India Company that improvements took place in the industry in Bengal, particularly in the reeling process, but no improvements were made in mulberry cultivation or in breeding species of silkworms. Later the company attempted to improve varieties of worms and the mulberry by the introduction of foreign types, but they proved failures and gave rise to the impression that pebrine disease, to which these worms are subject, was introduced with the foreign types.

HISTORICAL BACKGROUND

It was following the Napoleonic war that Bengal silk first began to feel the effects of European competition from French and Italian sources, in consequence of which there was a sharp decline in prices. In 1813 the East India Company's monopoly was abolished, but it was not until 1836 that it wound up its silk business. Between 1865 and 1872, when the silkworms in Europe were attacked by the pebrine disease, the Indian industry, neglected by the authorities after the East India Company gave up its business, did not find itself in a position to take advantage of the European situation as did Japan, so that following 1857 dependence was placed more and more on the home market, although there were large exports of silk waste, and the industry continued to decline owing partly to disease and partly to the larger returns offered by competing crops and occupations.

REVIVAL OF THE INDUSTRY

The revival of the industry in Kashmir dates from 1905, when new modern filatures were started, but in spite of this exports from India continued to decline—from 235,000 kilos in 1909 to 34,000 kilos in 1914. With the war a "boom" was created for silk. Kashmir was in the best position to take advantage of this situation. There was also a revival of the industry in Mysore. This "boom" lasted in India till 1922. Prices subsequently fell, and the exports of raw silk and waste alike have now practically ceased. Chinese raw silk, unable apparently to find markets in the United States, has gradually invaded the Indian markets in increasing quantities at uneconomic prices. The present production of mulberry silk in India is approximately 2,000,000 pounds, which is a poor showing in comparison with that of Japan; but it is considered that there are possibilities of a great expansion if the industry can be organized on modern lines.

The silkworms in India are of four varieties: the "Tasar," the "Muga," the "Eri," and four varieties of the mulberry worm. The handloom weaver is the principal consumer of Indian raw silk. This industry exists all over the country, but its most important centres are Bombay, Madras, and the United Provinces. The value of its annual production of silk goods exceeds Rs. 70,000,000.

MARKETING

Indian silk is generally marketed through merchants or commission agents. Mysore silk is usually sold on commission. In Bengal most sales are outright, while Kashmir silk is marketed through selling agents who are paid a commission. The total demand for raw silk is about 4,000,000 pounds, of which about

half is met from Indian production. A great defect of Indian silk is the absence of sorting or grading; even Kashmir silk, which is classified after a fashion, is hardly recognizable as such, while the classification of Bengal and Mysore silk is uncertain and arbitrary. Every weaving centre is a market for Indian silk, and as these are found in all parts of the country the Indian production finds little or no export markets.

KASHMIR INDUSTRY

The Kashmir silk industry is in a somewhat different position from that in other parts of India in that it is a state monopoly from the cultivation of the mulberry trees to the disposal of the final production. Stringent rules, under severe penalties for infractions, are in force on the cutting of mulberry leaves except for the purpose of rearing silkworms for the State. Every rearer has the right to obtain his leaves free whether from the State or from trees privately owned, provided they are not required for a similar purpose by the owner. No indigenous race of silkworms has been reared in Kashmir, but foreign disease-free seed is imported from France and Italy, and after being supplemented with local seed, is supplied free to prospective rearers in one-ounce or half-ounce boxes. The cocoons are state property, and are delivered to the officers of the department on payment of rearing charges on a fixed scale. Thereafter the cocoons are reeled in state filatures, four at Kashmir and two at Jammu, the former including two of the best Italian type with the latest improvements and labour-saving devices, which are unequaled in the whole of India.

CONDITION OF THE HONGKONG MARKET FOR WHEAT FLOUR

K. F. NOBLE, ACTING TRADE COMMISSIONER

(The average exchange rate of the Hongkong dollar for the three months January to March inclusive has been 32½ cents; one picul equals 133½ pounds)

Hongkong, May 7, 1936.—The trade and shipping returns for the Colony of Hongkong show that the total imports of flour during the three months under review—viz., January to March inclusive—amounted to 168,648 piculs valued at HK\$1,221,031 as against 308,139 piculs valued at HK\$1,557,729 during the similar period of 1935.

Australia was the principal supplier during the last three months, being credited with 109,004 piculs (215,291 during the 1935 period) valued at HK\$729,803 (HK\$981,304). Canada is credited with 29,472 piculs (43,499 piculs) with value declared at HK\$236,658 (HK\$289,434).

The United States was the third most important supplier, being credited with 12,391 piculs (35,685 piculs) valued at HK\$110,232 (HK\$209,209). North China and Shanghai milled stock was supplied to the extent of 15,230 piculs (13,589 piculs) declared at HK\$125,184 (HK\$77,342).

The appearance of Japanese milled flours is a new factor of some importance. Small lots have been imported for stock, and have been under-quoting Australian and United States flours by approximately 10 cents per bag local currency. Although the turnover has been limited to date, imports from Japan may become an important factor in the flour trade of Hongkong and South China.

The past two months have been almost uniformly inactive, with buying restricted and spasmodic in sympathy with the erratic nature of the world wheat markets. Dealers have exercised caution in their commitments, and have purchased only for immediate delivery and consumption.

EXCHANGE SITUATION

Although stability for the Hongkong dollar has been effected by Government enactment, the anticipated benefits have not materialized. Nor are these benefits likely to appear in the immediate future owing to the depreciation in the value of the South China paper dollar.

Prior to the stabilization of the Hongkong dollar, its value in terms of the South China dollar fluctuated within fairly well-established limits, but with the demonetization of silver in South China there has been a marked paper inflation accompanied by an ever-advancing premium on the Hongkong dollar. Thus the exchange premium, which at the close of last year amounted to 12 per cent, to-day stands at 45 per cent, resulting in an increase in the cost of flour to the ultimate consumer of 25 per cent. Nor is there for the moment any prospect of an amelioration in the situation.

During the period under review conditions have been uniformly quiet with few sales, and no fluctuation of any importance.

PRICES

As at to-day's date the approximate average quotations on the several grades and qualities of flour are as follows:—

U.S. White Club Straight	HK\$3.20-3.60 per bag	U.S.\$4-\$4.55 per bbl. ex godown
U.S. 2nd Clear	HK\$3.02 per bag	U.S.\$3.75 per bbl. ex godown
Canadian First Clear ..	HK\$3.08-3.30 per bag	U.S.\$3.85-\$4.15 per bbl. ex godown
Australian flour.. . .	HK\$2.72-2.90 per bag	£6 10s.-£7 8s. per ton ex godown
Shanghai flour	HK\$3.27 per bag ex godown	

Stocks available in godown at these prices amount to approximately 140,000 bags, or possibly some 40,000 to 50,000 bags less than is considered a satisfactory spot stock during times of brisk trading.

Included in the local stock are the following estimates by countries of origin: Australian, 110,000 bags; United States, 16,000; Canadian, 12,000; Shanghai, 2,000.

AGRICULTURAL IMPLEMENT MARKET IN THE NETHERLANDS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

(One kilo equals 2.205 pounds; one metric ton equals 2,205 pounds; one metre equals approximately 40 inches; one fl. at par equals approximately \$0.402; conversions have been made at prevailing rates.)

Rotterdam, May 19, 1936.—Owing to the nature of its production, the Netherlands offers only a limited market for agricultural implements and machinery. Annual imports nevertheless have an approximate value of \$2,000,000. Germany is the principal source of origin, followed by other near-by European countries. Domestic production is negligible and confined to a few lines.

AREA AND POPULATION

One of the smallest states in Europe, the Netherlands has a total area of about 12,650 square miles, of which the cultivated area may be subdivided as follows: agricultural, 2,214,906 acres; grassland, 3,245,866 acres; horticulture, 288,301 acres; woods and forests, 630,631 acres.

Except in the extreme southeast, the country is uniformly flat, with much of it lying at or below sea level. This is mainly clay soil laid down during the centuries by the delta action of the Rhine and other large rivers flowing into the North Sea, and which extends to about 35 per cent of the total surface. There are also the alluvial sand and heath areas, of which the bulb region forms a part,

and the peat and humus soil areas. In the main the cultivated areas have a very rich soil, with a complete absence of stones, and produce heavy crops.

The Netherlands is still predominantly agricultural, with dairying the principal branch and stock-raising an important adjunct. Since the depression, with the attendant loss of export business in dairy products, efforts have been made under the guidance of the Government to strike a balance by curtailing the production of dairy and live-stock products, and by increasing the output of agricultural commodities, which were formerly imported. As a result the production of cereals has increased.

The total population at December 31, 1934, was 8,392,006. It was estimated then that roughly 639,026 persons were actually engaged in agriculture. Individual farms are small, and it is reported that approximately one-half of the agricultural and horticultural enterprises have an area of from 12.35 acres to 24.71 acres. Some 15 per cent have from 24.71 acres to 49.42 acres; 10 per cent between 49.42 acres and 123.55 acres. Only about 1 per cent have an area between 123.55 and 247.1 acres, while there is an additional 1 per cent which have a surface larger than 247.1 acres.

AGRICULTURAL PRODUCTION

The acreage under field crops in 1935, together with the yearly average for the period 1925 to 1934, as also the average yield of some of the more important products, has been as follows:—

	Area in Acres		Average Yield per Acre in Bushels	
	1935	Average 1925-34	1935	Average 1925-34
Fall wheat	320,427	173,855	47.60	47.13
Spring wheat	59,949	27,374	37.64	42.00
Rye	519,127	464,437	34.95	31.16
Fall barley	36,833	21,330	70.82	79.97
Spring barley	63,566	46,097	63.66	67.22
Oats	315,715	363,568	62.73	59.90
Buckwheat	744	2,110	17.70	16.28
Field beans	21,881	27,989	.....	.....
Peas	104,128	97,785	.....	.....
Scarlet runners	20,425	18,579	.....	.....
Rape seed	3,667	5,318	.....	.....
Brown mustard seed	845	776	.....	.....
Yellow mustard seed	2,451	5,367	.....	.....
Caraway seed	14,255	15,130	.....	.....
Flax	23,166	27,057	.....	.....
Potatoes	275,166	334,618	.....	.....
Potatoes for factory use	68,563	78,889	.....	.....
Mangels and other feed roots	116,525	102,841	.....	.....
Turnips	23,005	30,025	.....	.....
Onions	11,001	10,171	.....	.....
Sugar beets	101,511	134,096	.....	.....

Production of wheat and coarse grain in 1935 was as follows: fall wheat, 15,270,250 bushels; spring wheat, 2,263,065; rye, 18,176,193; fall barley, 2,615,456; spring barley, 4,051,265; oats, 19,838,212; buckwheat, 13,192 bushels.

PRESENT POSITION OF NETHERLANDS FARMERS

It is adjudged that somewhat more than half of the Netherlands agriculturists and horticulturists own their lands outright, and that about 50 per cent of the arable land is cultivated by the owners themselves. While few of these farmer owners can be regarded as wealthy, the majority of them are well-to-do and maintain a good standard of living. Because of various measures of state aid taken during the depression, they have been relatively better off than many other classes of the population.

With the inception, for instance, of the Wheat Mixing Law, which became effective on July 4, 1931, and which compelled domestic millers to use a per-

centage of domestic wheat, the producer was guaranteed a fixed price, which at the present time is fl. 9.75 per 100 kilos (about \$1.80 per bushel). There are also so-called monopoly taxes on wheat and coarse grains, which are the equivalent of import duties and ensure a higher price for the Netherlands grower. These taxes are as follows per 100 kilos: wheat, fl. 2 (\$0.36½ per bushel); barley, fl. 2 (\$0.29 per bushel); oats, fl. 3.50 (\$0.36 per bushel); rye, fl. 5 (\$0.85 per bushel).

The effect of these levies, with their attendant higher prices, has been helpful to the sale of agricultural implements.

AGRICULTURAL IMPLEMENT SITUATION

With the exception of a few threshing machines, and a limited number of ploughs and harrows, there are no agricultural implements manufactured in the Netherlands, which is an open market to all foreign producers. There are no quantitative restrictions on imports or currency-control regulations which impede payments.

Because of their geographic proximity manufacturers in Germany and Belgium are in a favoured position. A firm importing German-made implements from a factory in Neuss, near Dusseldorf, state that the transportation cost from point of origin to warehouse in Holland is only one-half of 1 per cent of their cost.

Up to the beginning of 1934 there was no tax or import duty on agricultural implements sold in the Netherlands. A turnover tax of 4 per cent was then levied, and in some cases a so-called compensatory import duty of 1 per cent. In addition, from July 1, 1934, they were made subject to an import duty of 6 per cent on the c.i.f. value.

IMPORTS OF IMPLEMENTS

During the calendar year 1935 imports of farm implements into the Netherlands were valued at fl. 2,617,000 or approximately \$1,780,240 at the current rate of exchange.

These are classified in the trade statistics by principal groups under separate headings, details of which are subjoined:—

	Units	Value in Fl. 1,000 (Approx. \$680)
Horsedrawn plows and harrows	12,938	389
Mechanically drawn plows and harrows	205	56
Seeders—horse and mechanical traction	1,020	129
Self-binders for both horse and mechanical traction	772	381
Mowers	2,932	412
Hay rakes and tedders for horse and mechanical traction	1,227	128
Threshing machines	891	584
Non-specified agricultural machines	11,890	530

Parts are included in the values column as well as complete machines. The relative importance of this item is believed, however, to be comparatively small.

SOURCES OF SUPPLY

Among the exporting countries Germany is by far the most important, 65 per cent of the total value of imports having come from that country in 1935.

German manufacturers have the bulk of the trade in ploughs, harrows, and other tillage implements. They are also the principal purveyors of seeders, binders, and mowers, although with the last two their relative position with reference to the total is not so high. In 1935 Germany supplied 284 binders out of a total of 772 and 1,335 mowers out of 2,932.

The United Kingdom was the principal source of supply for tedders and hay rakes. In all other lines Germany occupied the leading position. Apart from Germany, ploughs are imported from Belgium, and to a very small extent

from the United Kingdom and France. Czechoslovakia follows Germany, but well behind, as the country of origin of seeders.

In 1935, while France was slightly ahead of Germany in regard to the number of binders supplied, Germany led in value, while the United Kingdom was third, the respective figures being 298 units at fl. 110,000 (\$74,800), 284 at fl. 193,000 (\$131,240), and 87 at fl. 39,000 (\$26,520).

In addition to Germany, France, Sweden, Norway, and the United Kingdom were, in the order mentioned, the principal exporters of mowers. Imports from France have shown a considerable increase during recent years, which has been due partially to the establishment of branch factories in that country by overseas manufacturers.

There are also a limited number of agricultural implements imported from Russia and Denmark. The United States was formerly a direct shipper, particularly of mowers and binders, but all the American trade, with the exception of a few tractors and specialties, is now handled by the European branch factories of American producers.

CANADA'S POSITION IN THE TRADE

Canada has never been of importance as a source of agricultural implements. A survey of the trade statistics covering the past five years indicates that in 1933 six binders of Canadian origin were imported which had a value of fl. 3,780 (roughly \$1,390). In 1934 there were fifteen imported valued at fl. 20,442 (approximately \$13,696). There were no imports in 1935. For the first four months of 1936, however, Canada is again credited with fifteen binders, weighing 23 metric tons and with a c.i.f. value of fl. 9,000. The average per machine was therefore fl. 600 or \$408. Certain parts may be included in the weight and value figures, which would account for the comparatively high price.

PRINCIPAL GERMAN FIRMS IN THE MARKET

The principal German manufacturers selling in the Netherlands, apart from the International Harvester, are:—

Krupp, Essen.—Mowers, binders.
Lanz Wery.—Mowers, binders, rakes, and tedders; some threshers and tractors.
Deutsche Werke Hartung.—Mowers and binders.
Fahr & Co.—Reapers, binders, and mowers.
Rudolph Sack.—Ploughs, harrows, and tillage instruments.
Fella Leege.—Binders.

With one possible exception, German manufacturers are represented by Dutch importing firms. The implements sold are usually ordinary stock production, modified where necessary to meet local demands.

SALES AND MARKETING METHODS

With regard to the marketing of agricultural implements in the Netherlands, the most common method is from the importer through the retailer to the consumer, although during recent years in particular there has been a tendency to eliminate the retailer and to attempt to do business direct with the farmer.

THE WHOLESALER-IMPORTER

In this country the functions of the importer and wholesaler are combined, and one firm usually acts as the exclusive distributor for several manufacturers. There are some six such firms which are of importance and which do a good business, and a larger number of smaller ones who may specialize in small cultivators and horticultural tools, with a few implements as a sideline.

The largest of the import-wholesalers have a number of branches in different parts of the country where stocks and spare parts are carried, so that customers may take immediate delivery. In some cases too orders are not filled from stock, but are passed on to the manufacturer for execution.

Apart from agricultural implements, the wholesaler-importers commonly carry other lines of farm and household equipment. These include such articles as milk cans, cream separators, animal clippers, spraying apparatus, pumps, washing machines and wringers, vacuum cleaners, bicycles, radios, and general hardware. In some cases industrial machinery and garage equipment are also handled. While agricultural implements are in most instances the principal part of the business, the dealer is never entirely dependent on them.

The importers customarily maintain their own service departments to assist and advise retailers and customers about repairs and replacements.

RETAILERS

The retailers of agricultural implements are exclusively the local blacksmiths in the towns and villages throughout the country. The function and need of these individuals is as repair and service men. They usually carry stocks of spare parts, and sometimes a couple of mowers or a few ploughs or harrows, which are not uncommonly sent to them on consignment from the importer.

The blacksmith's profit or commission on agricultural implement sales is from 10 to 15 per cent, depending on the service he gives. In many cases the importer, when he makes a direct sale, pays the blacksmith in the buyer's locality an overriding commission up to this maximum in order to retain his goodwill and assistance in making adjustments and repairs.

QUESTION OF DIRECT SELLING

Generally speaking, neither the farmer nor the co-operative organization buys direct from the foreign maker, although about ten years ago some German manufacturers who had difficulty in finding suitable distributors tried direct selling, but with unsatisfactory results.

There are some exceptions to the method of selling through the medium of the retailers. A firm of importers in Goes is reported as making direct sales without needing the services rendered by the blacksmiths. The people in question are particularly well established in the provinces of Zeeland and Brabant, which enables them to look after their own servicing.

In addition, there is an organization with head office in Sneek, which was established about three years ago, with the idea of eliminating all middlemen and giving the farmer his implements at rock-bottom prices. By means of their lower quotations they have made inroads into the business of the old-established importers, but they are reported to be having considerable difficulty with servicing, as blacksmiths are unwilling to repair machinery coming from this seller.

DOMESTIC MANUFACTURE

Broadly speaking, there is, as has been noted, no domestic agricultural machinery industry in the Netherlands. There are, however, a number of blacksmiths' shops engaged in small-scale production, and it is stated that they probably make between 5 and 10 per cent of all the ploughs sold annually, some 10 per cent of the threshing machines, and 15 per cent of the harrows.

Most of these shops employ only three or four workmen, and the largest of them not more than twenty. Much of their raw material is imported, and in many cases they do no more than assemble the imported parts.

The blacksmiths market their output direct to the farmer, and at the same time act as retailers for importers of allied lines of machinery and implements. During recent years there has been a tendency for these blacksmiths to take on lines of automobile parts and accessories to service farm trucks and passenger cars. Farmers' co-operative purchasing societies frequently buy direct from importers, but as a rule the blacksmith in the buyer's locality gets a commission. In past years importers tended to ignore the blacksmith, but his lack of co-operation made the question of repairs and repeat sales difficult, and it was generally considered that he was an essential link in the sales chain.

ADVERTISING

With the exception of a few agricultural weeklies, importers do not purchase much space in papers for advertising purposes. A weekly journal catering to the blacksmith fraternity is used fairly extensively, however, followed by three farm weeklies. It is doubtful if the average importer allows more than 2 or 3 per cent for advertising.

Direct-by-mail advertising is not regarded as being productive, with the exception of catalogue distribution. Metal signs fixed to the doors and sills of blacksmiths' shops are considered to be useful and are commonly seen.

There are no big international agricultural fairs or exhibitions at which it is possible to display agricultural machinery and implements. Small local shows are not important, though the blacksmith may often exhibit a few implements.

SELLING SEASONS

There are usually two selling seasons for ploughs, the first and most important being from January to April, and the second from August to October.

Mowers are generally sold in May and June, reapers and binders in July and August, threshers in September and October, and fodder-preparing machinery from October to December.

The climate has some effect on sales of machinery, and plentiful early spring rains, which are usually conducive to grass development, help mower sales. In the same way a spell of dry weather occurring in May or June may adversely affect the sale of harvesting machinery. On the whole, however, the trade is relatively steady without great fluctuation in demand.

COST OF AGRICULTURAL IMPLEMENTS

The cost of agricultural implements in the Netherlands varies considerably, depending on the quality of the machine and the method of selling.

The importer in Sneek to whom reference has been made quotes a Russian-made binder (5-foot) at fl. 375 retail (about \$250). An Amsterdam firm quotes fl. 690 (\$472) for a 5-foot and fl. 735 (\$499) for a 6-foot good-quality Fella-Leege German binder, which is one of the most expensive on the market and is said to be particularly well suited to the heavy crops grown in Holland. A McCormick binder made by the International Harvester Company at Neuss, Germany, costs from fl. 495 (\$336) to fl. 555 (\$377). The former is for the 4-foot 6-inch and the latter for the 6-foot machine. The 5-foot binder costs from fl. 515 to fl. 535 (\$350 to \$363).

Most of the horse-drawn binders used in Holland are of the 5-foot size, which from the McCormick factory of the International Harvester at Neuss cost from fl. 515 to fl. 535 (\$350 to \$363), while as regards mowers, the 4½-foot machine, drawn by two horses and equipped with seventeen guards, is the standard size and accounts for 75 per cent of the sales.

One-horse hay mowers (3½-foot) can be purchased at prices ranging from fl. 162 (\$110) to fl. 180 (\$122). For a 4½-foot McCormick mower the retail price ranges from fl. 178 to fl. 198 (\$121 to \$134).

The German "Rasa-Rex," $4\frac{1}{2}$ -foot, 2-horse mower is retailed for fl. 190 (\$129). A Deering 2-horse $4\frac{1}{2}$ -foot mower with thin beam, oil bath, and weighing 355 kilos, is listed at fl. 153 (\$104) by the Sneek importer. The same firm quotes only fl. 105 (\$71) for a Russian-made mower of the same weight and dimensions.

Apart from size, the price of mowers depends on the thickness of the beam. There are three specifications: thin, medium, and heavy.

A large number of different types of ploughs are used in the Netherlands, most of which are dissimilar to anything employed in Canada. Most types are equipped with a wheel. The cheapest varieties cost about fl. 23 (\$15.60). The more complicated multiplex varieties list for as much as fl. 140 (\$95).

The retail prices of drag harrows depend on size and type. Most of these are manufactured to suit local conditions, and the diamond harrow, which is common in Canada, is not used. A so-called zigzag harrow, built in four sections, having a total breadth of 3 metres and a weight of 100 kilos, can be purchased for fl. 36 (\$24.50).

A double-disc harrow manufactured by the British firm of Ransome is listed by importers at fl. 200 (\$136) when it has a working breadth of 1.80 metres, 24 discs, and a weight of about 560 kilograms. With a breadth of 2.10 metres, 28 discs, and a weight of about 600 kilos, the price is fl. 212.50 (\$144.50), while the largest size, 2.40 metres broad, with 32 discs and weighing some 650 kilos, lists at fl. 232.50 (\$158).

This same firm offers a seed drill of Danish manufacture weighing 530 kilos with a working breadth of 2 metres and 11 rows for fl. 225 (\$183). Drills used in the Netherlands are usually equipped with the so-called auto steering device, which consists of a two-wheel arrangement which is fitted in the front of the machine.

The French-made "Le Royal" seeder with 13 rows and a width of 2 metres is listed by the importer at fl. 185 (\$126). Most of the seeders used in the Netherlands are of the slide coulter type with from 10 to 13 rows and a $6\frac{1}{2}$ -foot wheel. Few disc drills are employed.

PRICE TRENDS

In general it may be said, however, that present retail prices are comparable with those ruling in 1913. In 1924, according to importers interviewed, most prices were at their peak. In 1919 they were somewhat lower, but since then they have further decreased despite the incidence of taxation.

With the exception of a slight upward trend in some British manufacturers' quotations, there has been no increase in 1936 prices when compared with those obtaining in 1935 and 1934.

In the Netherlands trade statistics values are based on the c.i.f. price of the articles. By taking the total value and dividing by the number of units as regards specific agricultural implements, it is possible to get their average c.i.f. cost.

In 1935 these worked out at: seeders, fl. 127.45 (\$87); binders, fl. 492.33 (\$334); mowers, fl. 140.55 (\$95.50). In 1929 the comparative figure for seeders was fl. 259.40 (\$113.60), and in 1924 fl. 235.20 (\$92). In both of these latter years, however, mowers and binders were included under one heading, which makes a comparison of little value, although the figure for 1929 was fl. 233.70 (\$93.20), and for 1924 fl. 272.90 (\$97).

MARGIN OF PROFIT

The prices listed in the importers' catalogues are the cost to the farmer delivered at his nearest railway depot. During the recent difficult years, however, there has been considerable price-cutting so that the granting of a small discount off the list is not uncommon.

The retailer's profit is, as has already been stated, from 10 to 15 per cent, which in working back is the first deduction from the catalogue price. One importer states that on ploughs and harrows the catalogue price was factory cost plus 50 to 60 per cent, while on mowers and binders the margin was 40 per cent. Another stated that his overhead selling cost was 19 per cent. It is doubtful if the net profit to importers is ever more than 20 per cent.

The Sneek importing firm which has been quoted affirms that its selling price is on the average about 30 per cent above the factory cost, which includes an import duty of 6 or 7 per cent and a turnover tax of 4 per cent on the duty-paid value.

TERMS OF PAYMENT

No hard-and-fast rule can be laid down as regards the payment terms granted by the manufacturers of agricultural implements to the importers or by the importers to the consumers. Generally speaking, credit plays an important part, with conditions varying widely depending on financial standing and length of relationship.

One exception to this rule is the Sneek organization, which will sell only for cash, and they state that they pay their suppliers on the same basis. The old-established importers complain that this firm has cut into their best cash business.

It is reported by one importer handling German merchandise that his principals give him six months in which to pay for his purchases. Another stated he paid in three three-monthly instalments, which means that final payment is not made for nine months. There would seem to be no payments made against documents. In some instances time drafts are accepted; in others the importer's bank may guarantee payment before a certain date. Again, it may be arranged that payment takes place after the harvesting of the crop.

German manufacturers are the most liberal as far as terms are concerned.

In cases where implements are sold outright to the blacksmiths, they may be granted three to six months' credit, and they often time their purchases so that payment will fall due after the harvest, when they themselves are paid by the farmer.

The terms granted to the ultimate purchaser vary with circumstances, but in most cases up to ninety days may be considered as normal. A discount of as much as 5 per cent is sometimes offered as an inducement to pay cash or a proportion of that amount for payment in thirty or sixty days.

SWITZERLAND'S TRADE WITH CANADA IN 1935

W. G. STARK, ASSISTANT TRADE COMMISSIONER

(One Swiss franc equals \$0.192 at par and approximately \$0.33 or one-third of a dollar at present rate of exchange; one metric ton equals 2,205 pounds)

Rotterdam, May 23, 1936.—A summary of the Confederation's trade with Canada was included in the report on general conditions in Switzerland during the past year, which was published in *Commercial Intelligence Journal* No. 1680 (April 11, 1936), page 657.

Mention was made in that report that a review of this commerce would appear later, and the receipt of more complete Swiss statistics now permits the present enlargement of this subject.

Canadian merchandise destined for Switzerland is mostly transhipped either at Rotterdam or Antwerp. As a great proportion of these goods is billed only to the European port, it is not always possible to identify all the Canadian

products which eventually enter Switzerland in the returns of the Dominion Bureau of Statistics. In this review the figures employed have been drawn from the official Swiss publications.

In 1935 the value of imports from Canada, as compared to the 1934 figures, declined some 16 per cent, principally due to lessened wheat shipments. On the other hand, mainly as a result of increased sales of watch movements, exports of Swiss merchandise to the Dominion were valued at 8 per cent higher. The visible balance of trade still remains favourable to Canada by 5,081,000 francs, though considerably less than in 1934, when the balance in the Dominion's favour was 8,228,000 francs.

The total trade passing between Switzerland and Canada in 1935 was valued at 20,619,000 francs, a decrease, when compared with the total of 22,666,000 francs in 1934, of approximately 9 per cent. This decline, however, is much less than the falling off noted in comparing 1934 with 1933, when the reduction in total trade was about 48 per cent. During 1935 there was a general decrease in the total foreign trade of Switzerland amounting to approximately 7·6 per cent; thus commerce with Canada roughly has followed the same retrogressive trend.

The table below outlines the trade movement between the two countries in 1930 and during the last three years:—

Swiss Imports from and Exports to Canada

	Imports from Canada Figures in	Exports to Canada Thousands of	Total Swiss- Canadian Trade Frances
1930	70,230	28,634	98,864
1933	35,430	9,484	44,914
1934	15,447	7,219	22,666
1935	12,850	7,769	20,619

As total imports from all countries into Switzerland in 1935 were valued at 1,283,304,000 francs, and total exports at 821,960,000 francs, Canada thus supplied 1 per cent of all imports and accepted 0·94 per cent of Swiss exports.

IMPORTS FROM CANADA

Previous reports both on Swiss-Canadian trade and on the wheat market in Switzerland have emphasized the effects of the Confederation's controlled wheat-buying policy on the sum total of Canadian imports. Canada now supplies only 12 per cent of Switzerland's total wheat imports; for many years the share ranged around 50 per cent. Wheat still remains, however, the most valuable single import commodity from Canada: 56 per cent of the value of the total imports from the Dominion in 1935 was represented by this cereal.

The most noticeable feature in this year's import figures is the increase in the trade in products other than cereals. The following table illustrates the importance of this factor, and, though published with the report referred to above, it is repeated here to show at a glance the change in the nature of Canadian shipments to Switzerland during the past three years:—

Canada's Cereal Trade with Switzerland

	1933		1934		1935	
	M. Tons	1,000 Frs.	M. Tons	1,000 Frs.	M. Tons	1,000 Frs.
Wheat	240,305	31,002	86,880	11,071	57,368	7,202
Rye	160	19	.....	.....	.....	.....
Barley	15,202	1,727	1,988	232	2,524	317
Oats	52	5	.....	.....	.....	.....
Total cereals	255,719	32,753	88,868	11,303	59,892	7,519
Total other products ..	2,814	2,677	4,558	4,144	6,145	5,331
Grand total	258,533	35,430	93,426	15,447	66,037	12,850

From the above it will be noted that the imports of products other than cereals have more than doubled since 1933; in 1935 they increased by 28 per cent over the 1934 value. This rise is mostly accounted for by larger shipments of aluminium, copper wire, hides and leather, lumber, and rubber tubing and tires. Increased imports of these products more than counterbalanced lessened traffic in lead, copper, unexposed films, apples, and canned salmon.

This trade in products other than cereals is chiefly maintained in metals. Aluminium and copper in the semi-prepared state and copper wire are the most important, followed by nickel and lead. Metals and metal products as a group account for 72.4 per cent of the value of all products other than cereals. Animal hair occupies next place with 6.8 per cent; rubber tubing and tires follow with 6.4 per cent. Hides and leather account for another 4.2 per cent, and lumber for 2.9 per cent. The sum of these products totals 92.7 per cent of the imports of all products other than cereals, leaving only the small percentage of 6.3 to be divided among other goods.

The table reproduced below lists the more important Canadian products, other than cereals, brought into Switzerland, the value of such arrivals during 1935 and 1934, together with the increase or decrease in value during the period under review:—

Canadian Imports into Switzerland of All Products other than Cereals

Commodity	Value 1935	Value 1934	Increase	Decrease
	Figures in Thousands of Francs			
Aluminum.. . . .	2,505	1,720	785	....
Copper wire	806	160	646	....
Copper	405	538	....	133
Animal hair	362	344	18	....
Rubber tubing and tires.. . . .	343	268	75	....
Hides and skins (raw)	161	26	135	....
Lumber.. . . .	154	26	128	....
Nickel	77	29	48	....
Casings and bladders	69	46	23	....
Canned lobster	42	81	....	39
Lead	42	204	....	162
Silk stockings	34	70	....	36
Upper leather	32	14	18	....
Hides (tanned or curried)	30	13	17	....
Fish, fresh and frozen	23	11	12	....
Rubber footwear	21	52	....	31
Wool, raw	17	....	17	....
Zinc	15	39	....	24
Wallboard	15	10	5	....
Woodpulp, chemical	13	8	5	....
Toys	13	9	4	....
Raw asbestos and mica	12	3	9	....
Agricultural tools	12	14	....	2
Footwear (not of leather or rubber).. . . .	11	7	4	....
Spirits.. . . .	10	10	....	....
Sensitized paper	10	10	....	....
Batteries, electric	9	....	9	....
Automobiles	8	....	8	....
Copperware	7	9	....	2
Grass and clover seed	7	26	....	19
Hardware, miscellaneous	7	21	....	14
Other canned fish—salmon	6	72	....	66
Fresh apples.. . . .	2	83	....	81
Unexposed films.. . . .	....	98	....	98
Sole leather .. . . .	....	20	....	20
Machinery n.o.p. .. . . .	....	9	....	9
Concentrated vegetable juices .. . . .	....	8	....	8
Miscellaneous articles	51	86	35	....
Total imports all products other than cereals	5,331	4,144	1,187	....

From the above it will be noted that the majority of Canadian goods brought into Switzerland are destined for further processing in that country. As these materials are necessary to domestic industry, they are not so readily

affected by quota measures as manufactured goods, but they are always subject to the expediciencies of clearing and barter agreements. Whether the increased traffic in these goods in 1935, particularly in metals, is influenced by the prevailing strain in international relations, is difficult to ascertain.

Prospects for the sale of Canadian manufactured goods are being increasingly limited, both by more stringent enforcement of quota regulations and the decline in the individual buying power of Swiss consumers. The outlook for Canadian trade in this group is not bright.

EXPORTS TO CANADA

Exports of Swiss merchandise to Canada were valued at 7,769,000 francs, an increase of 55,000 francs, or almost 8 per cent over those of 1934. Watch movements, as in 1934, occupy first place; they were valued at 2,276,000 francs. Aniline dyes are in second position at 1,503,000 francs.

Considered by groups, watches, movements, parts, etc., is the most important one. Exports to Canada under this composite heading were valued at 2,983,000 francs, which represents 38·4 per cent of all Swiss exports to the Dominion. Aniline dyes, with 1,503,000 francs, account for 19·3 per cent and are followed by the textile group, exports of which in 1935 were valued at 1,242,000 francs, almost 16 per cent of the total.

The position of the other groups is indicated by the following figures, percentages of total exports being within parentheses: machinery, 684,000 francs (8·8 per cent); materials for hatters, 390,000 francs (5); perfumes, cosmetics, and raw materials for these trades, 349,000 francs (4·5); cheese, 266,000 francs (3·4); and aluminium alloys, 113,000 francs (1·5 per cent). The products included above total 7,530,000 francs or 96·9 per cent of all Swiss exports to Canada.

The table appended outlines the principal articles supplied by Switzerland to the Dominion in 1935, the commodities being ranged in approximate descending order of value:—

Exports of Swiss Goods to Canada

Commodity	1,000 Frs.	Commodity	1,000 Frs.
Watch movements	2,276	Articles of pure or floss silk mixed	
Aniline dyes	1,503	with other materials	45
Wrist watches	369	Watch cases	45
Articles of straw, wood fibre, etc.	351	Gas and electric meters; cash registers	45
Dynamos and transformers	343	Perfumes and cosmetics	44
Cheese	266	Leather footwear	40
Cotton tissues, various	220	Hydraulic, air and other machinery	
Articles of artificial silk	194	n.o.p.	40
Watch parts	176	Hats, untrimmed	39
Miscellaneous pharmaceutical products	165	Knitted woollen goods	32
Current rectifiers	159	Haberdashery n.o.p.	31
Silk ribbons	157	Watch moulds	31
Underwear of cotton and linen	138	Prints	25
Aluminum alloys	113	Steam engines	24
Fancy articles and dresses of cotton	99	Automobile parts, electric	21
Articles made of artificial silk and		Soda salts	21
other materials	95	Handkerchiefs and collars of cotton	20
Vegetable alkaloids for the pharmaceutical and perfumery trade	88	Lye powders	20
Articles of pure and floss silk	68	Miscellaneous clocks and watches	15
Gasoline engines	63	Knitted silk goods	14
Curtains	62	Tools for watch making	12
Pocket watches	59	Electric batteries	12
Chemical products for the pharmaceutical and perfumery trade	52	Raw materials for manufacture of	
Embroideries of linen	50	aniline dyes	10
Embroideries of cotton	47	Knitting and sewing machines	10
		Total	7,769

DISTRIBUTION OF FARM IMPLEMENTS IN FRANCE

J. P. MANION, ASSISTANT COMMERCIAL ATTACHÉ

Paris, May 16, 1936.—The methods of distribution of farm implements in France have been greatly altered in the last four years as a result of the world crisis and through the formation of agricultural syndicates or co-operatives in close touch with the Ministry of Agriculture.

Generally, previous to the depression, the factory—or assembly plant in the case of imported products—delivered direct to a large number of small regional agents. There has never been much distribution through large nationwide wholesalers. As France is comparatively limited in extent, there are usually no regional warehouses, and shipments are made on order direct from the factory.

In the majority of cases, the agent makes a purchase contract in his own name, with payment due September-October after his clients have been able to obtain payment for their crops, with interest payable after that date on delayed payments, and discounts applicable on forward payments. Machines or implements not sold during the season may be held over until the next selling season, with a corresponding extension of credit. In most of these cases, however, it is customary for the agent to guarantee that at least 75 per cent of the machines ordered will be sold, otherwise his quota for future years will be reduced.

A certain proportion—probably one-third—of the agents accept goods on a consignment basis, so that the financing is done directly between factory and farmer with the same September-October terms applicable. Sowing and harvesting equipment are not often sold on this deposit or consignment basis; the cream separator is typical of the articles most often affected.

TERMS OF PAYMENT

Terms of payment range upward for the heavier type of equipment and farm engines, those for the latter now extending to as much as three years. Before the depression it was unusual to have credit extended more than one year.

Commissions are between 15 and 20 per cent for the type of equipment chiefly under consideration, i.e., sowing and harvesting implements. Commissions, however, may range to even 40 per cent for engines and tractors.

The depression has had an unstabilizing influence on the whole of the price and credit structure. There has been undercutting by means of split commissions, and it is probable that credit facilities have been made much easier: owing to the greatly reduced purchasing power of the farmer, sales have been reduced at least 70 per cent during the last five years.

The second unstabilizing influence has been the formation, under government auspices, of non-profit-making agricultural syndicates. These, in conjunction with a national agricultural credit board, were originally intended to facilitate the liquidation of the grain crop over a more extended season, in that way preventing wide fluctuations in price.

These regional co-operatives later extended their operations so that they were able to group the implement orders of a large part of the farmers in their district. In this way they obtained cheaper prices from the manufacturers and, accepting no commissions, the only added expense was the cost of handling and administration. They also secured the services of the national credit organizations for extending liberal terms of payment; and they had no business taxes to pay.

The co-operatives in this way were able to give attractive terms to the farmers, but the latter still depended on the dealers for repairs and upkeep. The dealers on their part, faced with this new situation, organized so effectively as to obtain from the manufacturers assurance that no reduced rates would be given to the syndicates and that prices would be high enough to cover commissions. As there is now very little advantage in dealing through the syndicates, the movement has been checked.

PRICES

In France sales are generally direct from the implement manufacturer to the agent, who in turn sells direct to the agriculturist. As a result, there is only one commission. Catalogues generally show the full price to the consumer; a separate list gives the dealer discounts.

Prices of imported products are practically unknown, as foreign manufacturers have been obliged to establish factories in France in order to avoid the almost prohibitive import quotas.

FOREIGN TRADE OF EGYPT, 1935¹

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

I

Cairo, May 8, 1936.—Imports into Egypt during 1935 totalled £E32,232,649 compared with £E29,296,560 in 1934 and £E26,766,991 in 1933.

Exports totalled £E35,603,855 as against £E31,056,770 in 1934 and £E28,842,436 in 1933. With re-exports valued at £E992,007, the balance of trade for 1935 was favourable by £E4,363,213. In the previous year there was a favourable balance of £E2,338,003.

As will be seen from the following table, Egypt's foreign trade shows continued progress since the low level of 1932:—

	Imports	Exports
1931	£E31,528,167	£E28,073,630
1932	27,425,691	26,987,417
1933	26,766,991	28,848,221
1934	29,296,560	31,055,770
1935	32,232,649	35,603,855

DISTRIBUTION OF TRADE BY COUNTRIES

The following table, which does not include bullion or specie, shows the value of Egypt's foreign trade in 1933, 1934, and 1935 by countries, these being ranked in order of importance as regards imports into Egypt last year:—

	Imports			Exports		
	1933	1934	1935	1933	1934	1935
	Value in Thousands of £E					
United Kingdom	6,181	6,433	7,353	11,260	9,932	11,231
British India	716	735	713	445	1,166	1,816
Australia	50	153	363	9	12	3
Canada	59	49	47	98	175	136
Other British countries	540	540	562	273	331	237
Japan	2,873	3,444	3,869	1,410	2,752	1,837
Germany	2,032	2,147	2,874	2,290	2,830	2,788
Italy	2,092	2,039	1,801	2,126	2,528	2,256
France	1,898	1,626	1,694	3,512	3,007	3,768
United States	857	1,186	1,666	1,258	1,203	1,362
Belgium	1,306	1,671	1,579	229	315	413
Roumania	1,009	990	1,099	193	143	454
Chile	609	821	780	....	4	26
U.S.S.R.	554	616	743	....	....	15
Norway	726	780	668	1	8	10
Iran	532	636	597	....	11	1
Holland	376	451	580	302	292	297
Greece	671	640	528	267	245	360
Dutch East Indies	276	412	448	52	51	41
Czechoslovakia	408	392	411	489	729	996
Sweden	228	329	369	98	171	236
Hungary	82	129	326	68	168	304
Turkey	329	413	325	48	65	87
Switzerland	329	333	318	659	1,045	1,005

¹ One Egyptian pound (£E) at par equals \$4.99; the Egyptian currency and sterling have a fixed ratio, one pound sterling being equivalent to 975 millimes or £E0.975.

Egypt's Foreign Trade by Countries—Concluded

	Imports			Exports	
	1933	1934	1935	1933	1935
	Value in Thousands of £E				
Finland	203	302	275	1	5
Austria	239	287	269	146	223
Syria	115	120	208	309	204
Palestine	148	141	188	444	420
Bulgaria	114	144	173	12	19
Poland	58	111	167	385	573
Brazil	200	155	164	....	69
Yugoslavia	123	181	158	4	28
China	158	143	153	152	405
Spain	70	76	57	1,020	1,279

The United Kingdom, as usual, is Egypt's principal export market and the leading importing country. It absorbed about one-third of Egypt's exports and supplied nearly one-quarter of Egypt's requirements of foreign goods, by value, in 1935.

Japan has maintained its position as the second largest source of supply to Egypt, while Germany and Italy again ranked third and fourth respectively. Fifth and sixth positions were held in 1935 by France and the United States, imports from the latter country showing an increase of nearly 30 per cent in value over the 1934 figures; three-quarters of this increase was due to greater imports of American automobiles.

EXPORTS

Raw cotton and its products (cotton seed, cotton seed oil and cake) together constituted approximately 85 per cent in value of Egypt's total exports in 1935, gold and silver bullion excluded. The other main exports were rice, onions, phosphate of lime, refined sugar, eggs, raw wool, hides and skins, cigarettes, and petroleum products. Practically all export products showed an increase in both quantity and value compared with 1934, with the exception of eggs in the shell, due to the decreased demand in Great Britain, Spain, and Italy.

The accompanying table gives the principal items of Egypt's exports in 1933, 1934, and 1935:—

Commodity	1933	1934	1935
	Figures in 1,000 £E		
Cotton, raw	21,380	24,788	26,413
Cotton seed	1,088	1,465	2,019
Cotton seed oil	70	109	367
Cotton seed cake	498	743	754
Cotton yarn	40	52	58
Onions	771	605	701
Other vegetables	521	65	90
Rice	868	590	701
Eggs	378	227	117
Molasses	39	68	69
Sugar, refined	206	260	303
Fish, fresh	68	51	64
Bran	161	95	110
Wool, raw	104	71	124
Hides and skins, raw	160	113	140
Hides and skins, prepared	118	112	115
Cigarettes	237	203	217
Gasoline (benzine)	186	122	116
Mazout and fuel oil	103	100	103
Asphalt (petroleum)	71	99	196
Phosphate, rock	417	404	438
Common salt	19	62	59
Ores (chiefly manganese)	16	60	59
Gold and silver (ingots and coins)	747	11	1,369
Books	60	69	83
Flax, raw . . . . .	....	9	81
All other goods	420	408	738
Total	28,848	31,056	35,604

The United Kingdom is the principal market for Egyptian cotton, cotton seed and cake, onions, bran, molasses, manganese ore, gasoline, and tanned skins.

Holland is the main market for raw hides and cigarettes, Spain for eggs, Japan for phosphate of lime and common salt, and the United States for raw wool. This latter country took 70 per cent of Egypt's exports of cotton seed oil in 1935, thereby accounting for the increased trade in this commodity last year. The entire shipments of fresh fish are destined to Palestine, which also takes a considerable share of the exports of eggs and asphalt. Rice is exported chiefly to Syria, Greece, and Palestine. An interesting feature in last year's exports was the increase in shipments of raw flax to Belgium.

IMPORTS BY COMMODITY GROUPS

Egypt is chiefly an agricultural country, and although industry is gradually developing, the local manufacturing establishments are unable, except for relatively few products, to supply the demand in manufactured goods. Egypt is dependent upon foreign supplies in regard to coal and other raw and semi-manufactured materials for industrial use. On the other hand, labour is cheap, and this has been an important factor in the development of certain industries, notably cotton spinning and weaving.

As the following table shows, the main categories of imports into Egypt are textiles (cotton, silk, and artificial silk piece-goods and hosiery); iron and metal and their manufactures (including machinery and vehicles); foodstuffs (fruits, cereals, dairy products, vegetable oils and fats); fuel (coal and oil); lumber; and fertilizers.

Imports by Main Groups

	1934 £E	1935 £E	Inc. or Dec. £E
Living animals and products of the animal kingdom	610,930	642,698	+ 31,768
Products of the vegetable kingdom	2,203,409	2,347,897	+ 144,488
Animal and vegetable fatty substances, greases, oils and waxes and alimentary fats	514,765	571,579	+ 56,814
Products of the food preparing industries, beverages, alcoholic liquids, vinegar and tobacco ..	1,422,404	1,626,426	+ 204,022
Mineral products	3,141,397	3,819,323	+ 677,926
Chemical and pharmaceutical products, colours, varnishes, perfumery, soap, candles, glue, gelatin, explosives and fertilizers	3,729,720	4,231,584	+ 501,864
Skins, hides and leather, furs and articles thereof	217,929	241,898	+ 23,969
Rubber and manufactures thereof	150,431	197,190	+ 46,759
Wood, cork, articles thereof and articles made of plaiting materials	1,425,299	1,389,609	— 35,690
Paper and its applications	742,738	878,771	+ 136,033
Textile materials and textiles	8,199,596	8,082,930	— 116,666
Footwear, tarboushes, hats, umbrellas, parasols and sticks; articles of fashion	176,424	142,660	— 33,764
Wares of stone and other mineral materials, pottery, glass and glassware	627,804	662,852	+ 35,048
Precious metals, pearls, precious stones and coins	204,782	199,707	— 5,075
Common metals and manufactures thereof	2,635,914	2,908,240	+ 272,326
Machinery and apparatus and electrical material..	1,779,700	2,114,287	+ 334,587
Means of transport	777,978	1,347,904	+ 569,928
Scientific and precision instruments and apparatus, horological wares and musical instruments ..	306,484	363,370	+ 56,886
Arms and ammunition	51,117	46,921	— 4,196
Miscellaneous goods and products	384,904	416,803	+ 31,899
Total of imports	29,296,560	32,232,649	+ 2,928,926

The above table shows decreases in five categories of merchandise out of twenty, namely: wood and products, textile goods, wearing apparel, arms and ammunition and precious metals. The main commodities affected were: building lumber (— £E73,000); cotton piece-goods, dyed (— £E45,000); silk and artificial silk products (— £E41,000); tea (— £E79,000); hats (— £E52,000).

The general improvement in imports during 1935 is reflected in the groups which have to do with (a) foodstuffs; (b) industry, such as minerals, metals, and machinery; (c) transportation, chiefly automobiles; and (d) agriculture, chiefly artificial fertilizers.

The main increases were: fertilizers (+ £E502,000), chemicals and pharmaceutical products (+ £E100,000), coal (+ £E427,000), fuel oil (+ £E191,000), gasolene (+ £E52,000), lubricating oils (+ £E52,000), railway cars (+ £E115,000), automobiles (+ £E320,000), rubber tires (+ £E40,000), machinery non-electrical (+ £E284,000), electrical apparatus and machinery (+ £E335,000), iron and steel products (+ £E229,000), paper and products (+ £E124,000), alcoholic beverages (+ £E54,000), tobacco leaves (+ £E54,000), vegetable oils and fats (+ £E57,000), wheat (+ £E151,000).

TRADE WITH CANADA

The Egyptian trade statistics show imports from Canada of £E47,313 or \$235,000 during 1935 compared with £E49,447 (\$245,000) during 1934. These statistics show a slight decrease, although Canada's exports to Egypt last year were actually substantially greater than in 1934, as is proved by Canadian trade statistics, which give \$402,367 and \$247,667 for 1935 and 1934 respectively.

The difference in the two sources of information is due to the fact that a large proportion of Canada's export trade to Egypt is effected through United Kingdom and United States ports, which causes the goods so shipped to lose their true origin in the Egyptian trade statistics.

The Egyptian market consumes a number of Canadian products, such as cheese, bacon, canned salmon, frozen fish, evaporated milk, flour, apples, pears, soap, leather, radium, druggists' sundries, etc., which are consigned from Canada to Egypt either via the United States or with transshipment in the ports of the United Kingdom. The Egyptian trade statistics usually credit such imports to the countries where transshipment was made instead of to the Dominion.

Egypt's exports to the Dominion in 1935 were valued at £E136,335 (\$680,000 at par) compared with £E174,924 (\$874,000) in 1934. The Canadian figures give \$848,552 and \$1,082,159 respectively.

According to Egyptian figures, Egypt in 1935 possessed a favourable balance of trade with Canada amounting to £E89,000 or \$445,000 at par, whereas, according to Canadian figures, the balance was favourable to Egypt to the extent of \$446,200.

Of Egypt's total exports during 1935 to the Dominion, raw cotton represented £E134,753, leaving a balance of only £E1,582 for other commodities.

SMOKED HERRING IMPORT SITUATION IN THE DOMINICAN REPUBLIC

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Havana, May 23, 1936.—Prior to March 13, 1935, when the sales and consumption tax on smoked fish of 15 cents per gross kilogram was brought into force, the sale of smoked herring in the Dominican Republic furnished Canadian exporters of this product with a considerable market. Canada supplied 82 per cent and Norway the remainder of this kind of fish imported, as is shown by the following figures issued by the Dominican Government Department of Statistics:—

	Canada	Norway
Year	Kilos	Kilos
1933	714,288	118,978
1934	773,610	183,094

Figures supplied by the Dominion Bureau of Statistics show Canadian exports of smoked herring to the Dominican Republic to be as follows:—

	Twelve Months ending March 31	
	1934	1935
Cwt.	4,533	14,237
\$	12,106	33,402

Before the internal revenue tax of 15 cents per gross kilogram was placed on smoked herring there was only the customs duty of $2\frac{1}{4}$ cents per net kilogram to meet.

The poorer section of the population creates the market for smoked herring (bloaters), especially from November to January and from May to July, when the crops of sugar, coffee, tobacco, and cacao are being gathered. Although they were able to pay the customs duty of $2\frac{1}{4}$ cents per net kilogram, the additional 15 cents per gross kilogram forced them to look for substitutes and the sale of smoked herring declined.

On November 12, 1935, the 15-cent tax was reduced to 5 cents per gross kilogram; and on March 17, 1936, to 5 cents per net kilogram. This last modification is approximately equivalent to 10 cents per case of 18 pounds net, as the box weighs from 2 to $2\frac{1}{2}$ pounds. To the customs duties and sales and consumption tax of $7\frac{1}{4}$ cents per kilogram must be added approximately $\frac{3}{4}$ of 1 cent to pay for consular fees, bank charges, stamp taxes, and cartage. This makes a total of approximately 8 cents per net kilogram to bring the fish into the importer's warehouse.

Before the fish reaches the public, the wholesaler's and retailer's profit has to be added. Present prices are still 25 per cent higher than formerly. Previous to March, 1935, smoked herring could be retailed at from \$1 to \$1.10 per box, but now they must be sold at between \$1.30 and \$1.40. As the extent of the demand is dependent upon the buying power of very poor people, the extra price depresses sales. In addition, a severe drought which has lasted six months is reacting very adversely on the economic situation of the republic.

There is, however, a distinct preference for Canadian smoked herring, and the recent reduction of the sales and consumption tax to 5 cents per net kilogram should assist Canadian sales in this market.

BOLIVIAN ECONOMIC AND FINANCIAL SITUATION

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(Fifty bolivianos equal £1 sterling at present rate of exchange)

Lima, May 13, 1936.—The economic and financial situation of Bolivia, particularly during the past two years, has been greatly influenced as a result of the war with Paraguay, which terminated with the signing of an armistice at Buenos Aires on June 12, 1935. The actual settlement of the Chaco question was left to the decision of the Permanent Court of International Justice at The Hague, should the parties concerned be unable to arrive at a definite agreement between themselves.

EFFECT OF THE WAR IN THE CHACO

The war in the Chaco compelled the Government of Bolivia to contract new credits with the Central Bank of Bolivia, both in national money and foreign exchange. The former had by the end of 1935 amounted to bolivianos 317,000,000, which loans were contracted on the basis of 2 per cent interest and 1 per cent national amortization. The foreign exchange necessary, particularly during the latter months of the conflict, was chiefly supplied by the mining companies operating in Bolivia. These took the form of loans, and by reason of the monthly tin quotas, payments were promptly furnished to the Government.

The foreign exchange supplied by the mining industry was sufficient to obviate the necessity of the Bolivian Government placing any loans abroad. Armaments and equipment for the army in the campaign were effected through the resources of the country as supplied by its principal sources of production.

Bolivia was undergoing a difficult time due to world conditions even before the outbreak of war. In 1932 exports amounted to only 20,918 tons as against 47,080 tons in 1929. This decline was even more strongly accentuated in 1933, when less than 14,700 tons were exported.

THE TIN QUOTA

With the reaction of the tin market in 1934, and also due to the fixing of quotas by the International Tin Committee, a betterment began and in that year exports rose to 20,970 tons, apart from the supplementary quotas of 2,230 tons, corresponding to the buffer stocks of tin then on hand. During the first eleven months of 1935 exports reached 22,227 tons, and the final quota fixed by the International Committee could not be filled owing to the scarcity of labour in the mining industry. As is well understood, the national economy of Bolivia is chiefly dependent upon tin. Quotations for tin, which were extremely low during the depth of the depression, have notably improved in the last two years, as can be appreciated by the following annual averages per metric ton: 1931, £118 7s. 6d.; 1932, £135 16s. 6d.; 1933, £194 14s.; 1934, £230 9s.; 1935, £225 10s. Even apart from tin, however, an effort was made to intensify the production of other minerals such as gold, silver, wolfram, lead, zinc, antimony, bismuth, copper, and some products of vegetable and animal origin.

DEVELOPMENT OF NATIONAL INDUSTRY

During the war an attempt was made to foster national industry, and to a considerable extent these newly started enterprises contributed towards the satisfaction of the needs of the civil population as well as those of the army in the field. Among the manufactures now being produced in Bolivia are woollen fabrics, cotton, shoes, hosiery, lace, cigarettes, canned goods, beer, gaseous waters, milling plants, and soap. Despite the emergency situation in which the country found itself, it nevertheless continued with certain public works financed in greater part by the Central Bank of Bolivia. These largely took the form of road building, and stretches between the more important towns were completed.

EXCHANGE CONTROL BOARD

The Exchange Control Board continued and continues to function, acting in a regulatory manner within the range of regulations contained in the Supreme Decree of January 24, 1935. Details of this decree are on file at the Department of Trade and Commerce, Ottawa. The rates of exchange legally established, one of bolivianos 20 to the pound sterling for fiscal necessity and importation of prime materials and necessity, and the other of bolivianos 80 to the pound sterling for secondary necessity of commerce, industry, and the general public, has been changed as from April 1, 1936, to bolivianos 50 to the pound sterling as the official rate. Details of the latter mentioned change in the form of an official decree are available at the Department of Trade and Commerce, Ottawa.

DIRECTORATE GENERAL OF CONSUMPTION

Another step taken in this period was the establishment of a Directorate General of Consumption, which functions with a branch at the capital of each department of the country for the rationing and requisition of articles of prime necessity, control and supervision of price returns, etc. Although this organization has met with some difficulties, it has in a measure managed to temper speculation in foodstuffs and articles of prime necessity.

Despite the fact that an election is to be held in Bolivia within the next few months, considerable effort is being directed towards the stabilization of the

economy and national finances of the country with a view to again placing industry upon a normal productive basis.

CIRCULATING MEDIUM

The following variations have occurred in the circulating medium, which is made up of notes in circulation and deposits subject to legal reserve:—

1929..	Bs.60,413,106.81	1933	Bs.107,739,138.75
1930..	46,454,154.11	1934	222,562,609.39
1931..	37,855,555.25	1935 (November)	388,335,845.75
1932..	79,955,560.66		

The final figure of Bs.388,335,845.75 is made up of:—

Notes in circulation	Bs.143,206,171.00
Deposits in associated banks (national and mercantile)	90,110,548.84
Government and dependencies	101,993,196.09
Public	38,957,223.29
Other obligations.. . . .	14,063,706.53
	<hr/> Bs.388,335,845.75

The deposits of the associated banks have also grown appreciably during the past three years through the accumulation of funds of private companies, railways, and mining interests, which have been unable to convert such funds into foreign exchange: that is to say, a natural consequence of the inflation of the circulating medium, and of the control of the sale of exchange. These figures, for the associated banks, during the period 1932-35, are as follows: 1932, Bs.4,534,044.02; 1933, Bs.21,535,771.73; 1934, Bs.47,408,318.70; 1935 (Jan.-Nov.), Bs.90,110,548.84.

As may be supposed, the increase has been brought about by war loans in Bolivian money internally financed by the Central Bank of Bolivia during the three years' duration of the conflict with Paraguay.

GOLD PURCHASES

By a decree passed early in 1935, all gold produced in Bolivia must be concentrated in the Central Bank. Despite this decree, however, and the punitive measures that are suffered by those that contravene it, such gold acquisitions have been relatively small and purchases by the Central Bank of Bolivia during the past three years were as follows: 1933, 350.33488 kilos fine; 1934, 330.19224; 1935 (Jan.-Nov.), 449.04678 kilos fine. However, the above returns are no index of the gold production of Bolivia, since it is generally known that a great part of this metal, possibly up to four-fifths of the production, is clandestinely exported.

TIN

The successive increases in quotas of tin exports, together with the relatively high quotations, have had a favourable effect on the Bolivian economic situation. The average annual price per metric ton in 1935 was £225 10s. From January to November, 1935, Bolivian tin exports rose to 22,227,652 fine kilos, which was some 2,963,727 fine kilos below the allotted tin export quotas, and it was believed that this deficit would be increased by an additional 300,000 kilos when December returns were available. The successive increases in the export quotas in a relatively short period put a strain on the productive capacity of the country, which with its energies devoted to war purposes saw itself unable, up to a certain point, to fulfil the quotas that were assigned to it owing to the labour shortage at the mines.

GENERAL TRADE

The general trade of Bolivia touched its lowest in 1932, when exports amounted to Bs.48,903,564 as against Bs.140,007,039 in 1929. In that year im-

ports also fell to the lowest figure reached in the last fifteen years, and amounted to Bs.22,351,435 as against Bs.71,417,273 in 1929. However, the reaction that set in in 1933 because of greater exports and the increase in mineral quotas, principally tin, continued into 1934, and apparently into 1935, although for the latter year returns are only available showing import and export totals for the first six months. The following table indicates imports and exports into and from Bolivia for the years 1932-34, and the first six months of 1935:—

	Exports	Imports
1932	Bs. 48,903,564	Bs.22,351,435
1933	75,714,219	41,155,550
1934	130,449,524	67,019,874
1935 (Jan.-June)	61,987,008	39,954,224

It is probable that exports in 1935 will exceed Bs.150,000,000. From such data as are available, it would appear that the exports during the first six months of 1935 were made up as follows: tin, 76 per cent; silver and minerals containing silver, 11.55 per cent; other minerals (wolfram, lead, copper, zinc, antimony, etc.), 8 per cent; products of animal and vegetable origin, 3.94 per cent; and manufactured articles, 0.51 per cent.

From the foregoing it may be seen that Bolivia is essentially a producer of mineral substances, and that the exportation of articles of animal and vegetable origin is so small that it occupies a very small place in the general economy of the country, and that industrially there is practically nothing exportable. Paralleling the rise in exports, there has been a rise in imports.

JAPANESE CHEMICAL INDUSTRY AND TRADE

P. V. McLANE, ASSISTANT TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen in 1933 was 28 cents, in 1934 30 cents, and for 1935 approximately 29½ cents Canadian funds)

Kobe, Japan, April 23, 1936.—Production in the chemical industry continues to expand, having increased in value from 116,269,000 yen in 1929 to a value of 205,259,000 yen in 1933. Below is given the quantity and value of some of the principal chemicals produced in Japan for the last year for which complete data are available according to the Factory Return of the Department of Commerce and Industry:—

PRODUCTION IN 1933

Chemical	Quantity Short Tons	Value Yen
Sulphate of ammonia	500.828	38,939,744
Sulphuric acid	1,778.739	31,019,259
Soda ash	299.892	26,894,804
Caustic soda	1,451.437	22,097,028
Calcium carbide	238.834	16,504,632
Nitric acid	61.313	7,256,216
Bleaching powder	67.378	4,838,551
Glycerine	6.925	4,621,794
Acetic acid	7.261	3,013,281
Hydrochloric acid	74.364	2,421,905
Carbolic acid	1.573	1,922,477
Alcohol	1,642	1,567,819
Rongalite and other reducing agents (1934) ..	1.818	1,500,085
Sulphide of soda	20.514	1,378,565
Sodium sulphate	42.698	1,213,278
Bichromate of soda	2.600	1,030,000
Silicate of soda	16.675	929,062
Naphthaline	4.864	769,891
Bichromate of potash	1.400	745,000
Bicarbonate of soda	7.067	638,600
Salicylic acid	242	622,820
Acetone	290	290,184
Chlorate of potash	5,691	207,953

EXPORTS

Chemicals are included in the trade returns under the heading of drugs, chemicals, medicines, and explosives, the total exports of which were valued at 61,133,403 yen in 1935 and 52,460,068 yen in 1934. The increases have occurred principally in the definite chemical group. The following table gives some of the more important items exported from Japan during the last two years:—

	1935 Yen	1934 Yen
Acetic acid	886,221	598,260
Sulphuric acid	320,703	421,684
Nitric acid	511,656	625,878
Arsenic acid	304,214	354,256
Arsenate of lead	418,093	189,250
Sulphide of soda	416,960	590,074
Silicate of soda	329,805	231,674
Caustic soda	2,684,589	2,025,063
Soda ash	2,258,353	1,194,325
Chlorate of potash	1,162,450	892,042
Sulphate of ammonium	659,554	134,431
Bleaching powder	1,106,990	755,156
Calcium carbide	1,597,904	1,378,397

The destinations of these various chemicals are exceedingly diverse, and for most items new buyers are being found each year. Principal buyers are given below:—

Acetic Acid.—China, Germany, Dutch East Indies, Egypt.

Sulphuric Acid.—Kwantung Province, China, Straits Settlements, Philippine Islands, Dutch East Indies.

Nitric Acid.—China, Kwantung Province, Hongkong, Siam, Dutch East Indies, Philippine Islands.

Arsenic Acid.—United States, Great Britain, Hawaii, Australia, Brazil.

Arsenate of Lead.—Dutch East Indies, Kwantung Province, United States.

Sulphide of Soda.—China, Kwantung Province, India.

Caustic Soda.—China, Dutch East Indies, India, Argentina, Mozambique (Africa).

Soda Ash.—India, China, Kwantung Province, Argentina.

Silicate of Soda.—Dutch East Indies, Kwantung Province, Kongkong, India.

Chlorate of Potash.—China, India, Manchukuo, Siam, Australia.

Sulphate of Ammonium.—French Indo-China, Philippine Islands, Hongkong, India.

Bleaching Powder.—China, India, Manchukuo, Hongkong.

Calcium Carbide.—Kwantung Province, China, India, Straits Settlements, Dutch East Indies, Philippine Islands.

IMPORTS

Imports of chemicals are included also under the heading drugs, chemicals, medicines, and explosives, the total of which were valued at 157,314,423 yen in 1935 and 144,293,432 yen in 1934. Chemicals made up more than half this total. Particulars concerning the trade in these chemicals are given below:—

Boric Acid.—Imports are relatively small, amounting to only 297 short tons (106,874 yen) in 1935 and 167 tons (75,300 yen) in 1934. They originated in Germany, Great Britain, and the United States. This acid is used principally in the glass industry, and the domestic industry supplies the greater part of the demand.

Tartaric Acid.—According to the trade returns, imports amounted to 379,667 pounds (247,409 yen) in 1935 as against 443,057 pounds (305,002 yen) in 1934. Germany, Italy, and Spain were the principal shipping countries. Tartaric acid is used in the manufacture of a number of chemicals, food preparations, in printing, dyeing and tanning, and for medicinal purposes. Japan is dependent on outside sources for this product.

Salicylic Acid.—These imports amounted to 82,606 pounds (72,573 yen) in 1935 as against 389,836 pounds (253,335 yen) in 1934. The two sources of supply are Germany and the United States. Principal uses are as preservative and in the manufacture of "sake," a Japanese wine.

Acetyl-Salicylic Acid.—Imports have been decreasing rapidly and in 1935 totalled only 9,099 pounds (57,444 yen). They came principally from Germany and France. Acetyl-salicylic acid has medicinal uses.

Carbolic Acid.—As Japanese production of carbolic acid has increased, imports have fallen off. In 1935 they amounted to only 67,600 pounds (27,767 yen), mainly from the United States. This acid has several uses, the principal one being as a disinfectant.

Citric Acid.—In 1935 imports amounted to 213,806 pounds (124,339 yen), a slight decrease from the previous year. Germany, Italy, Belgium, Great Britain, and France were the suppliers. The principal uses are in the manufacture of synthetic beverages and in the dyeing industry.

Caustic Soda, Crude.—The bulk of these imports, which amounted to 22,151 short tons (2,913,430 yen) in 1935, comes from Great Britain. The United States, Russia, Belgium, and Germany are smaller contributors. While these imports are substantial, domestic production is much greater. The bulk of this product is consumed in the paper and rayon industries, and in dyeing and soap-making.

Soda Ash.—This was imported to the extent of 42,682 short tons (2,574,380 yen) in 1935 and 41,265 short tons (2,829,912 yen) in 1934. Kenya and Uganda are responsible for over 40 per cent of the trade. China, Great Britain, and the United States are among the other suppliers. There is a large production of soda ash in Japan; production was formerly assisted by subsidies. Chief uses are in the manufacture of glass, in the paper industry, and in dyeing.

Bicarbonate of Soda.—Great Britain is the source for most of the bicarbonate of soda imported into Japan. Total trade amounted to 2,660 short tons (206,126 yen) in 1935. This product is principally used in the manufacture of soap, yarn, and drugs. Japanese production is increasing and is supplying a larger portion of the country's requirements each year.

Nitrate of Soda, Crude.—Imports amounted to 69,472 short tons (5,422,753 yen) in 1935, a considerable increase over the previous year. Sources were Chile and the United States.

Borate of Soda.—In 1935 the United States supplied practically the whole of these imports, which amounted to 8,097 short tons (1,509,060 yen).

Cyanide of Soda and Potash.—Total importation was 366 short tons (305,843 yen) in 1935, practically all supplied by Great Britain. Domestic production is extremely small. Uses are chiefly in the mining industry, in electroplating, and in hardening steel.

Chloride of Potash, Crude.—In 1935 imports amounted to 85,406 short tons (8,934,788 yen) and 50,959 short tons (5,790,145 yen) in 1934. Supplies were secured from the United States, Germany, Russia, and Spain. Domestic production is very limited and takes care of only a small part of the demand; it is principally used as a fertilizer material.

Sulphate of Ammonia.—In 1935 imports of sulphate of ammonia amounted to 265,109 short tons (21,069,356 yen). Each of the last three years have shown increases. Germany supplies practically the whole of these imports, with Great Britain and Manchukuo supplying the remainder. Japanese and Korean production takes care of most of the domestic requirements, and imports are allowed only on permit to supply the estimated deficiency.

Carbonate of Ammonium.—Imports are small, amounting to only 39 tons (16,282 yen) in 1935, and come almost wholly from Great Britain. Japanese production is negligible and of poor quality.

Acetate of Calcium.—A decrease has been registered in each of the last few years in the imports of acetate of calcium. Trade amounted to 383 short tons (60,230 yen) in 1935 as against 806 short tons (127,707 yen) in 1934. The United States is the largest supplier, followed by India and Germany and other European countries.

Formalin.—Increased domestic production of formalin has been the cause of reduced imports. In 1935 they totalled only 546 pounds (530 yen); in 1934 they were 37,954 pounds (6,037 yen). Formalin comes principally from the United States and is used mostly in the manufacture of synthetic resin and as an antiseptic.

Sulphate of Potash, Crude.—Imports amounted to 94,026 short tons (10,217,677 yen) in 1935 and 54,305 short tons (6,065,388 yen) in 1934. The bulk of this product is secured from Germany; small quantities are credited to France, Great Britain, and Spain. Sulphate of potash is consumed for the most part in the manufacture of glass, chlorate of potash, and fertilizer.

Chlorate of Potash.—Japan has an increasing production of chlorate of potash, which is fostered by a subsidy, and as a result imports are decreasing. In 1935 they amounted to 107 short tons (47,946 yen) as against 575 short tons (189,740 yen) in 1934. The chief source of supply is Sweden. Chlorate of potash is used in the making of medicine, fireworks, and dynamite.

Bichromate of Potash.—Imports in 1935 totalled 95 short tons (53,144 yen) and were principally from Germany. Japan's output is increasing. It is used in the manufacture of explosives and leather, and in the electric and dyeing industries.

Bichromate of Soda.—Supplies of bichromate of soda come from Russia, the United States, and Germany, and amounted to 273 short tons (111,642 yen) in 1935 and 271 short tons (113,571 yen) in 1934. Domestic production exceeds imports and is increasing.

Chloride of Ammonium.—Imports amounted to 1,002 short tons (180,326 yen) in 1935 and 1,044 short tons (185,447 yen) in 1934. Sources were Great Britain and Germany. Chloride of ammonium is not produced to any extent in Japan.

Methyl Alcohol.—Imports of methyl alcohol are on the decline due to increased domestic production. The bulk of the demand, however, is still satisfied by imports, which in 1935 amounted to 2,628 short tons (994,097 yen) as against 2,889 short tons (1,149,368 yen) in 1934. Germany and the United States are the sources of supply.

Glycerine.—During 1935 and 1934 imports of glycerine amounted to 177 short tons (188,766 yen) and 724 short tons (449,411 yen) respectively. Domestic production far exceeds imports, which have been decreasing over a period of years. Great Britain at present supplies most of these imports. Glycerine is used in making medicines, in explosives, and in toilet articles.

Rongalite and Other Similar Reducing Agents.—Total imports under this heading amounted to 333 short tons (186,107 yen) in 1935 and 482 short tons (268,886 yen) in 1934. Germany is the chief supplier. Smaller amounts are credited to the United States, Switzerland, and Great Britain.

Naphthaline.—Imports amounted to 4,526 short tons (697,292 yen) in 1935 as against 3,712 short tons (560,426 yen) in 1934. Germany ships more than half of these imports. The remainder of the trade is shared by Belgium, Russia, the United States, and Great Britain. Production is fairly large in Japan and is normally greater than the imports.

Milk Sugar.—Only a small amount of milk sugar is produced in Japan. As a result imports have been gradually increasing and amounted to 477 short tons (307,572 yen) in 1934. Chief uses are in the production of infants' foods, medicine, and drugs. Germany, Holland, and the United States are the chief sources of supply.

PRELIMINARY SPRING COCOON CROP OF JAPAN

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, May 22, 1936.—The Ministry of Agriculture and Forestry have announced that the 1936 spring cocoon crop will be approximately 142,215 pounds, 71 per cent of which will be white and 29 per cent yellow cocoons. The 1936 total spring yield is estimated at 6.8 per cent less than during the previous period, when the crop amounted to 152,656 pounds. The decrease is attributed to a reduction in the area planted to mulberry trees, in accordance with the plan of controlled production of cocoons and to damage sustained by growing trees due to very severe weather conditions during the budding season. The spring cocoon crops for the years 1931 to 1935 were as follows: 1931, 177,080 pounds; 1932, 171,376; 1933, 178,636; 1934, 170,419; 1935, 152,656.

JAPANESE MANDARINE AND TANGERINE CROP, 1935

J. A. LANGLEY, COMMERCIAL SECRETARY

Tokyo, May 22, 1936.—According to a report issued by the Ministry of Agriculture and Forestry, the crop of mandarines and tangerines in Japan during the period February, 1935, to January, 1936, amounted to 487,120 short tons valued at 20,165,000 yen, an increase in quantity of 65.1 per cent over last year. If compared with the average crop yield over the last five-year period an increase of 43.1 per cent in tonnage is shown. The number of fruit-bearing trees increased by 5.5 per cent and numbered 25,000,000.

During the 1935 period favourable growing conditions prevailed during the ripening period, while the 1934 crop was damaged by typhoons and floods.

NETHERLANDS INDIAN BAUXITE INDUSTRY

R. P. BOWER, ACTING TRADE COMMISSIONER

Batavia, Java, April 29, 1936.—Although the existence of bauxite deposits in certain islands in the Rhio archipelago of Netherlands India has been known for some time, it is only recently that extraction on a commercial scale has been undertaken. The decision to develop the deposits was the outcome of a number of conditions that indicated definite profit possibilities. In the first place, France, which has been the principal world supplier for many years, placed a restriction on future exports that virtually amounted to a prohibition. In the second place, the natural expansion of the industry, and the increased requirements for armament purposes, created a rising demand, and in the third place, Netherlands India was the natural source of raw material supply for the expanding Japanese aluminium industry. When a contract was made with the Japanese interests to deliver 24,000 tons of bauxite per annum for thirty years, development work was immediately started.

The most extensive deposits are on the island of Bintam, just south of Singapore. These deposits are of good quality, though not particularly uniform. Very little investment aside from housing and proper loading facilities was necessary. The reserves on the island are practically inexhaustible, and production can be greatly enlarged with little or no increase in present equipment.

The price f.o.b. Bintam is about \$8 per ton, and the analysis as follows: aluminium oxide, 53 per cent; silica, 2.5; iron oxide, 13.5; titanium, 1.2 per cent. Exploitation is in the hands of one concern, the Nederlandsch Indische Bauxiet Exploitatie Maatschappij, a firm with a capitalization of \$346,700, of which \$173,350 has been paid up. Preliminary Japanese reports on the material are favourable, and lead to the hope that other foreign manufacturers will draw a portion of their future bauxite requirements from Netherlands India.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Customs Examination of Bulky Letters

The attention of firms exporting goods to the United Kingdom is directed to the fact that the British postal authorities are required to submit to the Customs any letter from abroad which is suspected might contain dutiable articles. As letters containing shipping documents are usually of a bulky nature, the General Post Office, London, has advised that it is desirable to mark such letters containing only correspondence or documents plainly, on the address side, with the words "documents only," in order to avoid the delay in delivery resulting from letters having to be referred to the Customs.

Irish Free State Quota on Imports of Rubber Boots and Shoes

Mr. James Cormack, Canadian Trade Commissioner in Dublin, writes that the import quota for certain heeled rubber shoes, mentioned in *Commercial Intelligence Journal* No. 1674 (February 29, 1936), page 351, has been fixed at 50,000 articles for the period July 1 to December 31, 1936, as against 140,000 articles for the previous four-months period.

The import quota for all other rubber shoes and boots has been fixed at 320,000 articles for the period July 1 to December 31, 1936, as against 390,000 articles for the previous three-months period.

Irish Free State Tariff Changes

A number of Financial Resolutions arising from the Irish Free State Budget altered rates of duty on many articles, including the following:—

	Former Rate	New Rate
Plaster of Paris, Keene's and Parian cementper cwt.	Free	9d.
Fibre sheets or slabs, or pulp boards not varnished, painted or polished for building purposesper sq. yd.	Free	6d.
Advertising cards, price and show cards of cardboard, pasteboard, strawboard or millboardad val.	Free	50%
Refrigerating apparatusad val.	25%	50%
Cider and perryper gal.	4d.	1s. 6d.
Newsprint paperad val.	5%	Free
Unspecified articles made from or containing sugar or other sweetening matter:		
If imported dry weightper lb.	2½d.	2d.
If imported by measureper gal.	1s. 11d.	1s. 8d.
Paper, pasted on cardboard, printed by movable type, excluding calendars and empty containersad val.	Free	50%
Paper, pasted on cardboard, with other printed matter thereon, excluding calendars and empty containers . . .ad val.	Free	15% (full) 10% (pref.)
Spark plugseach	1s. 6d. (full) 1s. (pref.)	1s. 6d.

The new rates of duty are effective from May 13, except on newsprint, effective June 13, and on articles containing sugar, effective August 1, 1936.

St. Vincent Tariff Changes on Apparel

The general tariff rates of St. Vincent, British West Indies, on shirts, pyjamas, and men's underwear were amended by an ordinance passed by the Legislative Council on April 23. The new general tariff rates are 25 per cent on shirts, pyjamas, and men's underwear (shirts and vests), of rayon or cotton and rayon combined and otherwise 18½ per cent ad valorem. The former general tariff rates were 18¾ per cent ad valorem plus 3s. per dozen on shirts, 18¾ per cent ad valorem plus 2s. per dozen on men's underwear (shirts and vests), and 18¾ per cent ad valorem on pyjamas. The British preferential rate, applicable to Canada, on all these goods remains 12½ per cent ad valorem as formerly.

Belgian Surtax on Canadian Goods Cancelled

With reference to the notice published in *Commercial Intelligence Journal* No. 1684 (May 9, 1936), page 890, Mr. Henri Tureot, Canadian Trade Commissioner at Brussels, cables that a Belgian decree, effective June 1, 1936, cancels the extra transmission tax on Canadian goods.

INFORMATION ON EXCHANGE RESTRICTIONS

During the period of unsettled exchange conditions in many countries, it has been the practice to publish in the *Commercial Intelligence Journal* from time to time fairly complete reviews of the principal features of the exchange situation in countries regarding which it is most important that Canadian exporters be adequately informed. Canadian Trade Commissioners, resident in territories where exchange control is in force, are under instruction to prepare reports for publication dealing with major alterations in the methods of control and with revisions of policy or of regulations that affect imports from Canada. Apart from these published reports, the Commercial Intelligence Service has on file unpublished data which will be freely furnished, on request, to Canadian firms desiring information with regard to exchange conditions in specified countries.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 8

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending June 8, 1936, with the official bank rate. Quotations for the week ending June 1, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 1	Nominal Quotations in Montreal Week ending June 8	Official Bank Rate
Austria	Schilling	.1407	\$.1878	\$.1882	3½
Belgium	Belga	.1001	.1696	.1697	2
Bulgaria	Lev	.0072	.0129	.0129	6
Czechoslovakia	Krone	.0296	.0414	.0416	3
Denmark	Krone	.2680	.2235	.2238	3½
Finland	Markka	.0252	.0220	.0221	4
France	Franc	.0392	.0660	.0662	6
Germany	Reichsmark	.2382	.4034	.4042	4
Great Britain	Pound	4.8666	5.0087	5.0131	2
Greece	Drachma	.0130	.0093	.0094	7
Holland	Guilder	.4020	.6771	.6787	4½
Hungary	Pengo	.1749	.2950	.2956	4
Italy	Lira	.0526	.0788	.0789	4½
Jugo-Slavia	Dinar	.0176	.0229	.0230	5
Norway	Krone	.2680	.2516	.2519	3½
Portugal	Escudo	.0442	.0453	.0455	5
Roumania	Leu	.0060	.0074	.0074	4½
Spain	Peseta	.1930	.1367	.1371	5
Sweden	Krona	.2680	.2582	.2585	2½
Switzerland	Franc	.1930	.3238	.3248	2½
United States	Dollar	1.0000	1.0025	1.0031	1½
Poland	Zloty	.1122	.1882	.1887	5
Argentina	Peso (Paper)	.4245	.3335	.3336	—
Brazil	Milreis (Paper)	.1196	.0864	.0864	—
Chile	Peso	.1217	.0507	.0508	4½
Colombia	Peso	.9733	.5704	.5711	4
Mexico	Peso	.4985	.2785	.2786	4-5
Peru	Sol	.2800	.2493	.2497	6
Venezuela	Bolivar	.1930	.2556	.2560	—
Uruguay	Peso	1.0342	.7989	.7994	—
China (Shanghai)	Dollar	.....	.2979	.2994	—
Cuba	Peso	1.0000	1.0014	1.0027	—
Hongkong	Dollar	.....	.3233	.3245	—
India	Ruppee	.3650	.3779	.3781	3
Japan	Yen	.4985	.2932	.2940	3.29
Java	Guilder	.4020	.6807	.6821	4
Siam	Baht (Tical)	.4424	.4581	.4569	—
Straits Settlements	Dollar	.5678	.5875	.5868	—
South Africa	Pound	4.8666	5.0025	5.0068	—
British Guiana	Dollar	1.0138	1.0435	1.0444	—
Jamaica	Pound	4.8666	5.0187	5.0231	—
Other British West Indies	Dollar	1.0138	1.0435	1.0444	—
Martinique	Franc	.0392	.0660	.0662	—
Guadeloupe	Franc	.0392	.0660	.0662	—
Australia	Pound	4.8666	4.0070	4.0105	—
Egypt	Pound (100 Piastres)	4.9431	5.1325	5.1390	—
New Zealand	Pound	4.8666	4.0400	4.0425	—
	Argentina	Free	.2767	.2779	—
	Brazil	Free	.0561	.0562	—
	Chile	Free	.0407	.0408	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Weakness in the French franc became more pronounced during the opening days of June, and the guilder and Swiss franc were also sold heavily. The Netherlands Bank raised its discount rate again from 3½ per cent to 4½ per cent. In the face of an accelerating gold outflow and a serious labour situation, speculative interest on the Paris Bourse sent prices upward, presumably in anticipation of devaluation. Rates on the pound sterling at Montreal turned downward on June 5 after a rise of over 3 cents in the preceding three days. The premium on New York funds increased slightly to approximately 0.5 per cent.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Codfish.....	371	Santiago de Cuba, Cuba...	Agency.
Proprietary Articles for the Grocery and Drysaltery Trades.	372	Glasgow, Scotland.....	Agency.
Food Specialties for the Grocery and Provision Trades.	373	Glasgow, Scotland	Agency.
Fresh Apples.....	374	Panama City, Panama...	Purchase.
Miscellaneous—			
Alfalfa Meal.....	375	Glasgow, Scotland.....	Purchase.
Fish Meal.....	376	Glasgow, Scotland.....	Purchase.
Fertilizers.....	377	Glasgow, Scotland.....	Agency.
Timothy Hay.....	378	Panama City, Panama...	Purchase.
Oats.....	379	Panama City, Panama...	Purchase.
Ladies' Silk and Artificial Silk Lingerie.	380	Oslo, Norway.....	Agency.
Men's Silk and Artificial Silk Hosiery.	381	Oslo, Norway	Agency.
Ladies' Artificial Leather Handbags.	382	Mexico City, Mexico.....	Agency.
Wood-fibre Insulating Board....	383	Belfast, Northern Ireland..	Purchase.
Short Asbestos Fibre.....	384	New York, U.S.A.....	Purchase.
Wire Rope.....	385	Panama City, Panama...	Purchase.
Refrigerator Hardware for Domestic Cabinets and Brass Fittings for Commercial Refrigerator Units.	386	Melbourne, Australia.....	Agency.
Relaying Rails.....	387	Tientsin, China.....	Purchase.
Imitation Jewellery Novelties...	388	London, England.....	Agency.

CERTIFICATES OF ORIGIN FOR THE UNITED KINGDOM

The forms of certificate of origin prescribed by the United Kingdom for application of the Empire preferential tariff, printed in Notice 27A of the London Custom House, issued in August, 1933, are: D form No. 119 (Sale), for growth or produce; E form No. 120 (Sale), for manufactured goods; F form No. 121 (Sale), for manufactured tobacco, cigars, cigarettes, refined sugar, molasses, and extracts from sugar; FF form No. 122 (Sale), a supporting certificate for an ingredient of composite goods. F.T.D. Leaflet No. 95, obtainable on application to the Department of Trade and Commerce, contains a list of manufactured goods requiring a 50 per cent Empire content. Optical goods and parts require 75 per cent. Where no specific provision is made for manufactured goods 25 per cent suffices. Goods regarded as growth or produce require 100 per cent. Canadian exporters are reminded of the importance of supplying the correct forms in order to avoid difficulties in having their goods granted preferential tariff treatment on arrival in the United Kingdom.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Bedford, June 19; Duchess of Atholl, June 26; Duchess of York, July 3; Duchess of Richmond, July 10—all Canadian Pacific; Antonia, June 19; Andania, July 3—both Cunard-White Star Line.

To London.—Beaverdale, June 19; Beaverburn, June 26; Beaverbrae, July 3; Beaverhill, July 10; Beaverford, July 17—all Canadian Pacific; Ascania, June 19; Aurania, June 26; Ausonia, July 3; Alaunia, July 10—all Cunard-White Star Line.

To Manchester.—Manchester Citizen, June 18; Manchester Port, June 25; Manchester Producer, July 2; Manchester Commerce, July 9; Manchester Division, July 16; Manchester Regiment, July 23—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, June 30; Dakotian, July 17—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montrose, June 27; Montclare, July 4—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Bristol City, June 20; Boston City, July 9; New York City, July 27—all Bristol City Line.

To Glasgow.—Airthria, June 19; Athenia, June 27; Sulairia, July 3; Letitia, July 10—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk (calls at Dundee), June 25; Cairnglen, July 9; Cairnross (calls at Dundee), July 23—all Cairn-Thomson Line.

To Aberdeen and Hull.—Kelso, June 18; Kyno, July 9—both Ellerman's Wilson Line.

To Dublin and Belfast.—Dunaff Head (does not call at Belfast), June 17; Lurigethan, June 28; Fanad Head, July 5; Kenbane Head, July 23—all Head Line (cargo accepted for Londonderry and Cork).

To Antwerp and Havre.—Beaverburn, June 26; Beaverbrae, July 3; Beaverhill, July 10; Montrose, July 16; Montcalm, July 16; Beaverville, July 24—all Canadian Pacific (do not call at Havre); Kings County, June 25; Grey County, July 8; Hada County, July 22—all County Line.

To Rotterdam.—Alaska, June 26; Brant County, July 8—both County Line.

To Hamburg.—Beaverdale, June 19; Beaverford, July 17—both Canadian Pacific; Keilwald (calls at Bremen), Hamburg-America Line, July 10.

To Copenhagen, Gothenburg and Baltic Ports.—Braeholm, Swedish-America-Mexico Line, June 22.

To Norwegian Ports.—Topdalsfjord, Norwegian-America Line, June 22.

To Balboa, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.—Aakre, June 18; Motomar, July 17—both Gardiaz Line.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Lena, June 30; Capo Olmo, July 28—both Capo Line.

To Marseilles, Genoa, Barcelona and Spanish Ports.—A steamer, Canada-Mediterraneo Line, July.

To St. John's, Nfld., and St. Pierre-Miquelon.—Belle Isle, Newfoundland-Canada SS. Co., June 19; Skagatind (does not call at St. Pierre), June 15; Delia (calls at Trinity and Conception Bay ports), June 25; Maisol (does not call at St. Pierre), July 8—all Shaw SS. Co. Ltd.

To Cornerbrook, Nfld.—North Voyageur, June 15 and 27; New Northland, June 17—both Clarke SS. Co.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Colborne, June 25; Chomedy, July 9; Cornwallis, July 23—all Canadian National.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Cavalier (does not call at Hamilton or Nassau), June 19; Lady Somers, June 24; Cathcart (does not call at Hamilton or Nassau), July 3—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Risanger, June 30; a steamer, July 15—both Ocean Dominion SS. Corp.

To Brisbane, Sydney, Melbourne and Adelaide.—Canadian Constructor, July 24; Canadian Cruiser, Aug. 28—both Montreal Australia New Zealand Line.

To Auckland, Wellington, Lyttelton, Dunedin and Bluff.—Canadian Conqueror, June 19; Canadian Victor, July 24—both Montreal Australia New Zealand Line.

To Manila, Hongkong, Shanghai, Yokohama and Dairen.—City of Derby, Canada Far East Line, July 6.

To Yokohama, Kobe and Osaka.—Kongo Maru, Kokusai Line, July 16.

To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Rhesus (does not call at Freetown or Lourenco Marques), June 15; Matheran, June 27—both Elder Dempster Lines Ltd.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.—City of Birmingham, July 10; City of Evansville, July 26—both Ellerman & Bucknall SS. Co.

To Colombia, Ecuador, Peru and Chile.—A steamer, Canadian National, monthly.

To Santos and Buenos Aires.—Nicoline Maersk (calls at Rio de Janeiro but not at Montevideo), June 20; a steamer, July 4; Uganda, July 18—all International Freighting Corporation; Tacoma (calls at Montevideo but not at Santos), Canada-South America Line, July 8.

From Quebec

To Southampton.—Empress of Australia, June 19; Empress of Britain, June 27 and July 11—both Canadian Pacific.

From Halifax

To Liverpool.—Newfoundland, June 30; Nova Scotia, July 16—both Furness Line.

To London and Hamburg.—Waukegan, June 20; Capulin, July 4—both American Hampton Roads (call at Hull, Leith and Dundee).

To Aberdeen, Newcastle and Hull.—Trentino, July 9; Cavallo, July 28—both Ellerman's Wilson Line.

To Copenhagen and Baltic Ports.—Pilsudski (calls at Gdynia), Gdynia-America Line, June 15.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Townsend, Furness-Red Cross Line, June 15; Magnhild, Newfoundland-Canada SS. Ltd., June 15; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., June 17; Newfoundland (does not call at St. Pierre), Furness Line, June 30.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Drake, June 18; Lady Nelson, July 2; Lady Hawkins, July 16—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Flint II, Ocean Dominion Line, June 17.

To Santiago (Cuba) and Kingston (Jamaica).—Kirsten B., June 17; Ciss, July 1—both Pickford & Black Ltd.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Cornwallis, June 15; Colborne June 29; Chomedy, July 13—all Canadian National.

To Kingston (Jamaica) and Belize (British Honduras).—Cavalier, June 22; Cathcart, July 6—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Siamese Prince, June 20; Silverwalnut, July 4; Malayan Prince, July 18—all Silver-Prince Line.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, July.

From Saint John

To Manchester.—Manchester Brigade, Manchester Line, June 27.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, June 24; Lady Hawkins, July 8; Lady Drake, July 22—all Canadian National.

To Kingston and Jamaican Outports.—Harboe Jensen, June 19; Crawford Ellis, June 26—both United Fruit Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, June 27; Heian Maru, July 18; Hikawa Maru, Aug. 11—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls Honolulu), June 27; Empress of Russia (calls Nagasaki), July 11; Empress of Japan (calls Honolulu), July 25; Empress of Asia (calls Nagasaki), Aug. 8—all Canadian Pacific; Tyndareus, June 28; Ixion, July 26—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Hoilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—A steamer, Silver-Java Line, July.

To Honolulu, Suva, Auckland and Sydney.—Niagara, June 17; Aorangi, July 15—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Coast, June 15; Golden Bear, July 18—both Oceanic and Oriental Navigation Co. (call at Lyttelton and Dunedin if sufficient cargo offered).

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Limerick, Canadian-Australasian Line, July 14.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., June.

To Sydney, Melbourne and Adelaide.—Sheafcrow, June; a steamer, June; a steamer, July—all Australian Freight Line.

To London, Liverpool and Rotterdam.—Narenta (calls at Glasgow), June 27; Dinteldyk, July 11; Drehtdyk (calls at Glasgow), July 25—all Holland-America Line.

To London, Liverpool and Cardiff.—A steamer, Reardon Smith Line, June.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—A steamer, East Asiatic Co., June.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., June.

To Scandinavian Ports.—Buenos Aires, Aug. 6; Canada, Aug. 18—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—A steamer, Empire Shipping Co., June.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Iddelsleigh, Canadian Transport Co., June 25.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—A steamer, Silver-Java Pacific Line, June.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hoyanger, June 22; a steamer, July 22—both Empire Shipping Co.

To Puerto Colombia, Kingston and Tampico.—Point Lobos, Gulf Pacific Mail Line Ltd., June 26.

From New Westminster

To London and Liverpool.—Nebraska (calls at Southampton and Rotterdam), Royal Mail Lines Ltd., June 15; Pacific Trader, June 17; Pacific Reliance, July 5—both Furness (Pacific) Line Ltd. (call at Glasgow and Manchester).

To United Kingdom Ports.—Bencluch, Anglo-Canadian Shipping Co., June 15; Tacoma Star, American Mail Line, July 3.

To Shanghai.—Ousebridge, Ocean Shipping Co., June 21.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*

Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, and Northern Sumatra.) *Cable address, Canadian. (See also Netherlands India.)*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers, Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

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United States

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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COMMERCIAL INTELLIGENCE JOURNAL



Vol. LIV

Ottawa, June 20, 1936

No. 1690



**Canadian Grain being discharged at Flour Mill,
Bristol, England.**

Courtesy, Port of Bristol Authority.

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMILEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, June 20, 1936

No. 1690

TRADE COMMISSIONERS ON TOUR

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Melbourne, Australia, and Mr. M. B. Palmer, Canadian Trade Commissioner in Mexico City (whose territory includes Guatemala, Honduras, and Salvador), are at present on tour in the interest of Canadian trade with their respective territories. Their itineraries are as follows:—

Mr. Cosgrave

Toronto and district..	June 22 to 24	Sackville..	July 16
Montreal, Valleyfield,		St. John..	July 17
Granby, St. Hyacinthe.	June 29 to July 15	Halifax ..	July 20 and 21

Mr. Palmer

Toronto and Mimico..	June 22 to 27	St. Catharines, Welland.	July 10
Guelph ..	June 29	Brantford ..	July 13
Kitchener, Waterloo..	July 2	Woodstock, Ingersoll.	July 14
Stratford ..	July 3	London ..	July 15 and 16
Preston, Galt ..	July 6 and 7	Watford..	July 17
Hamilton ..	July 8 and 9	Walkerville..	July 20

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

MARKETING OF NEW ZEALAND PRIMARY PRODUCTS

C. M. CROFT, CANADIAN TRADE COMMISSIONER

Auckland, May 8, 1936.—New Zealand is dependent in a marked degree on the sale of primary products in world markets, and this Dominion is no small factor in such markets for a number of commodities, particularly dairy products. It is therefore of much interest to note that proposals of great importance to the people of New Zealand in general, and the dairy farmers in particular, were placed before Parliament on April 29, 1936, in the form of the Primary Products Marketing Bill, which embodies the principle of guaranteed prices for dairy produce.

The proposed legislation is "to make better provision for the marketing of dairy produce and other primary products so as to ensure for producers an adequate remuneration for the services rendered by them to the community." The preamble to the Bill states that it is considered essential in the public interest that producers of primary products should, as far as possible, be protected from the effect of fluctuations in the market prices; it is thought that the most effective and appropriate way of affording such protection, so far as relates to primary products intended for export, is to provide that the Government, on

behalf of the Crown, should acquire the ownership of such products at prices to be fixed from time to time; with respect to primary products intended for domestic consumption, the proposal is to empower the Government in its discretion either to acquire the ownership of the products at fixed prices or to control the sale and distribution. It is indicated that it is not feasible to put into operation forthwith any plan or plans to deal effectively with all classes of primary products, but it is considered desirable that, in the meantime, a plan should be inaugurated in respect of dairy produce (including certain other products usually associated with dairy-farming).

NEW DEPARTMENT TO BE SET UP

In order to enable the Government to put into operation its present plan with respect to dairy produce and to formulate plans for other primary products, it is proposed to establish a department of State to be known as the Primary Products Marketing Department, to be charged with the special duty of marketing all primary products in which the Government has acquired ownership or over which the Government has assumed control, and to be charged also with such general duties and functions as may from time to time be imposed or conferred on it.

With regard to the administration of the intended legislation, as has been stated, it is proposed to establish a new department for this. A member of the Executive Council is to be appointed as Minister of Marketing, who will, of course, control the department, while the administrative head will be the Director of Marketing. Provision is made for the appointment of one or more Assistant Directors of Marketing and such other officers as may be considered necessary.

Specific provision is included authorizing the appointment of any member of the Executive Commission of Agriculture as the Director or Assistant Director; any person who is an officer of the New Zealand Dairy Board, or in fact any person who has technical or other expert knowledge of the dairy industry may be appointed a permanent officer of the department, notwithstanding anything to the contrary in the Public Service Act.

FUNCTIONS OF THE DEPARTMENT

The principal functions of the proposed department will be to make all necessary arrangements pertaining to the acquisition on behalf of the Crown of any primary products in accordance with the legislation, and also with respect to the marketing, in New Zealand or overseas, of primary products whether or not such products have been acquired on behalf of the Crown. After the passing of the Act, no contract for the carriage by sea of any primary products intended for export shall be made except by the Minister or in conformity with conditions approved by the Minister.

The functions of the Executive Commission of Agriculture, which was set up in 1934, are to be taken over by the new department, and the authority which was granted to the commission to take over the powers of the various boards which controlled the export trade in certain commodities is also transferred to the new department, and references in previous legislation to the Executive Commission of Agriculture are to be read as references to the Minister of Marketing. The commission is to be abolished on a date to be fixed by the Governor General in Council; but while the commission remains in existence it will continue to have the powers originally conferred on it, but is to exercise those powers only with the concurrence of the Minister.

A clause of considerable importance in the Bill provides that for the purpose of obtaining any information that may be deemed necessary or of

value to enable the department to fulfil its functions or to enable the Government to determine whether or not the functions of the department should be extended or varied, the Director of Marketing, acting with an Assistant Director, or with any other person or persons who may be appointed by the Minister, shall have all the powers of a commission appointed under the Commissions of Inquiry Act.

On the financial side of the administration of the proposed department, the Bill provides for the establishment at the Reserve Bank of New Zealand of the Dairy Industry Account. No limits imposed by any Act on the borrowing powers of the New Zealand Government shall operate to limit the authority conferred on the Reserve Bank of New Zealand to grant, and for the Government to receive, financial accommodation by way of an overdraft in aid of the Dairy Industry Account, which may be overdrawn accordingly. All moneys derived from the sale of dairy produce are to be paid into this account, and also all payments by the Crown for the price of any dairy produce or for freight, insurance, storage or cost of marketing shall be made out of the account without further appropriation than the authority provided by the legislation under review.

MARKETING OF DAIRY PRODUCE

The term "dairy produce" includes (a) milk and cream; (b) butter, cheese, and all other products of milk or cream, whether derived therefrom by manufacturing processes or otherwise; and (c) any other products of a kind derived from operations usually carried on in conjunction with dairy-farming operations (such as the rearing of calves and pigs), whether such products are actually produced on dairy farms or elsewhere. The marketing provisions of the Act are to apply to all butter and cheese made from milk or cream delivered to a dairy factory on or after August 1, 1936, and may be applied to any other kind of dairy produce by notice published in the *Gazette*.

Authority is given to the Minister to make such arrangements and to give such directions as he thinks proper for the handling, pooling, transport and storage of any dairy produce to which the legislation applies; also for the shipment of the dairy produce, intended for export, on such terms and in the quantities he thinks fit; the insurance against loss of such dairy produce; and generally for all such matters as are necessary for the exercise of any of the powers conferred. All dairy produce (embraced in the provisions of the Bill) intended for export will become the property of the Crown as soon as it is placed on board any ship for export from New Zealand, but the Minister may determine by proper notice, that the ownership shall pass to the Crown at any specified time prior to shipment.

With respect to the payment for dairy produce exported, provision is made that the price as fixed (as outlined in the succeeding paragraph) shall be paid out of the Dairy Industry Account to the company or other owners of the factory in which the produce was manufactured, subject to prior deduction of any levy which may be payable to the New Zealand Dairy Board in accordance with the Agriculture (Emergency Powers) Act, 1934.

FIXING OF PRICE

The Bill provides that the price to be paid by the Crown for dairy produce exported from New Zealand shall be fixed from time to time by Order in Council. Different prices may be fixed for different kinds of dairy produce or for different grades or qualities of the same kind; there is also provision for the fixing of different prices for the same kind or grade or quality of dairy produce should special conditions or circumstances warrant this.

The prices for dairy produce exported from New Zealand during the coming export season (that is, the year ending July 31, 1937) shall be fixed after taking into consideration the prices received in New Zealand for dairy produce of the same or approximately the same kind, grade or quality exported during a period of from eight to ten years immediately prior to July 31, 1935. In fixing prices for dairy produce exported after July 31, 1937, regard shall be had to the prices fixed for produce exported prior to that date and also to the necessity in the public interests of maintaining the stability and efficiency of the dairy industry; to the costs involved in the efficient production of dairy produce; to the general standard of living of persons engaged in the dairy industry in comparison with the general standard of living throughout New Zealand; to the estimated cost to the department of the marketing of the dairy produce concerned, and also the cost of the general administration of the Act; and to any other matters deemed to be relevant.

The Bill provides that, consideration having been given to the matters mentioned above as affecting the price to be fixed for dairy produce to be exported after July 31, 1937, the prices so fixed "shall be such that any efficient producer engaged in the dairy industry under usual conditions and in normal circumstances should be assured of a sufficient net return from his business to maintain himself and his family in a reasonable state of comfort."

DOMESTIC MARKETING

With respect to dairy produce (which will come within the scope of the proposed Act) intended for consumption in New Zealand, the Minister may determine that the ownership shall pass to the Crown or alternatively he may determine that the department concerned shall control the marketing of such dairy produce but that the ownership shall not pass to the Crown. Authority is given for the fixing by Order in Council of prices for dairy produce for local consumption, at any time after the fixation of prices for dairy produce for export. The prices for domestic consumption may be fixed irrespective of whether the produce has been or is intended to be acquired by the Crown, or is sold or is intended for sale otherwise.

In fixing the price to be paid to any dairy company for produce for home consumption, the general purpose will be to ensure to the producer a net return from his produce equivalent to the return that he would have received had that produce been acquired by the Crown for export. In fixing other prices of dairy produce for domestic consumption, the general purpose will be to ensure that the consumer will be able to obtain the produce at a reasonable price and that the retailer and other persons engaged in the distribution of dairy produce will receive a fair and reasonable remuneration for efficient services.

RESTRICTION AND PENALTIES

The Bill makes the provision that if, after prices have been fixed, any dairy produce is manufactured of a kind, or grade, or quality for which prices have not been fixed, or which does not conform in all material particulars with the requirements of the department, such produce may be sold or otherwise disposed of in accordance with the directions of the Minister, and not otherwise.

Provision is made in the Bill for offences and the penalties therefor. The penalty is fixed at a fine of £200 on summary conviction in the case of an individual and £1,000 in the case of a company or other corporation. Prosecutions may be instituted within three years after the commission of the offence.

NEW ZEALAND DAIRY BOARD

A section of the Bill relates to the New Zealand Dairy Board and is proposed to become effective on August 1, 1936. At that date the members of

the Dairy Board appointed by the Governor General in Council shall be deemed to have vacated their offices. Thereafter the Dairy Board is to consist of five members, one of whom shall be appointed from time to time by the Governor General in Council for a term of three years, and the others elected or appointed as at present, namely, three representing the various wards and one appointed by the New Zealand Co-operative Dairy Co. Ltd. The Board as it will be reconstituted will not be entitled to exercise any of its powers, functions or discretions except with the approval of the Minister.

The functions of the board with respect to any dairy produce not covered by the marketing provisions of the Bill (whether such produce has been exported before the passing of the Act and has not been finally disposed of or is exported after the passing of the Act) may at any time after August 1, 1936, be exercised by the Minister, or may be exercised by the board with the approval of the Minister.

All contracts entered into by the board before August 1, 1936, shall become the contracts of the Crown in so far as they relate to the storage, insurance, or freight of any dairy produce to which the marketing provisions apply.

RECIPROCAL AGREEMENTS

After the Bill had been introduced an additional clause was added by the Minister of Finance. Under the new clause the Minister of Marketing, with a view to making agreements for the promotion of reciprocal trade, may, on behalf of the Government, enter into negotiations with accredited representatives of the Government of the United Kingdom, or any other British Dominion, or of any other country.

It is provided that the basis of any such agreement shall be that in consideration of the purchase by any overseas government of any primary products from New Zealand, or in consideration of the establishment or maintenance of favourable marketing conditions for New Zealand primary products, the New Zealand Government will undertake to arrange through the Reserve Bank of New Zealand that the whole or a substantial part of the financial credits thereby established overseas will be utilized for the purchase of approved goods or classes of goods produced or manufactured in the country concerned.

CONFERENCE OF DAIRY INTERESTS

It is of interest to observe that the Minister of Finance attended a meeting of a conference of delegates of the dairy industry, and the press reports indicate that he gave some useful information respecting the proposed legislation. He said that if there were a deficit between the guaranteed price and the market price, that would be the responsibility of the Government and there would be no liability on the producer; on the other hand, if there were a surplus, the Government would have to decide what was to be done with it, but generally the intention was that the surplus would not be used by the Government for any purpose other than the assistance of the dairy industry.

The Minister intimated that the Government would advertise New Zealand products in the principal markets. The Government is concerned only with marketable commodities and, it is understood, has no intention of taking over the sale of pure-bred stock. The Minister stated that, with respect to dried milk, condensed milk and similar products, the Government had discussed the position with companies manufacturing dairy by-products, and it did not appear likely that the Government would take over the marketing of those products; some arrangement would have to be made to see that the suppliers to those companies received an adequate return.

LONG-TERM CONTRACTS, ETC.

The Minister was asked by the conference for information respecting long-term contracts which had been entered into by some New Zealand dairy companies; he indicated that where such agreements had been made and advances received, the Government would do its best to make arrangements to complete those agreements; while the Government was not going to guarantee to indemnify any company, yet if a dairy factory had entered into a legal contract the Government would see that the contract was carried out. Nevertheless the Minister of Finance did not promise that all contracts would be carried out, but intimated that the Government would do all it could with its own marketing plans.

Another question which the conference asked the Minister of Finance was: "Does the Government's scheme of guaranteed prices envisage any proposal to limit the quantity of dairy produce on which the guaranteed price will be paid?" The reply to this was that in the first year, whatever the quantity of primary produce the guaranteed price would be paid; during the next twelve or eighteen months it would be ascertained from Britain what quantity of cheese and other products she was prepared to take from New Zealand.

At the time of writing, the Bill, with the amendment pertaining to reciprocal trade, has been passed by the House of Representatives and has been transmitted to the Legislative Council for its concurrence. It is, of course, possible that some alterations may be made by the Council, but the general impression in the commercial community is that if any changes are made, they will be minor ones.

Up to the present no indication has been given as to the actual price which will be fixed (on the assumption that the Bill will be passed into law) for butter, cheese, and other dairy produce which are to come within its scope.

TRADE OF JAMAICA IN 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

I

Imports

Kingston, Jamaica, May 22, 1936.—In the calendar year 1935 Jamaica imported goods to the total c.i.f. value of £5,009,906, which included imports by parcels post amounting to £155,092. The import trade during the year under review recovered considerably from the unusually low levels of 1934 and 1933, which were consequent upon hurricanes; unfortunately, bad weather was again experienced in September and October last, and the process of recovery has thereby been delayed. Nevertheless, the 1935 imports were the highest since 1930. Those for 1929 were £7,027,013; for 1930, £6,101,513; for 1931, £4,945,539; for 1932, £4,754,152; for 1933, £4,367,843; and for 1934, £4,777,069.

INCREASES AND DECREASES

There were increases in 1935 over 1934 of imports of many articles in considerable demand, principally of apparel, beef, beer, butter substitutes, cheese, confectionery, cotton piece-goods, canned fish, dried salted cod, pickled herring, flour, gasoline, glassware, ham, hardware, galvanized iron, lard and its substitutes, agricultural machinery, manures, canned meat, medicines and drugs, motor cars and trucks, heavy fuel oil, kerosene oil, paper, rice, salt, leaf tobacco, and wooden hoops and shooks. In some cases the increases were very considerable—e.g., in cotton piece-goods by 5,908,015 yards, in dried salted cod by 2,187,082 pounds, in gasoline by 951,793 gallons, in motor cars by 217 in number, and in rice by 9,224,637 pounds.

On the other hand, decreases occurred in imports of pickled alewives, bags and sacks for packing Jamaican produce, boots and shoes, butter, cement, coal, pickled mackerel, condensed milk, corn, lumber, matches, paint, pickled pork, laundry soap, silk manufactures, motor car tires, parcels post, and imports by the Jamaican Government. The decline in imports of matches and laundry soap was due to the local manufacture of those articles.

The most striking decreases occurred in imports of boots and shoes, which were 57,685 dozen pairs below the 1934 total—due mainly to heavy buying by local merchants in that and preceding years; in cement by 23,957 barrels, in coal by 1,537 long tons, in condensed milk by 142,615 pounds, in lumber by 3,566,717 feet, in pickled mackerel by 2,272,210 pounds, in matches by 25,104 gross boxes, in pickled pork by 494,608 pounds, in laundry soap by 1,017,008 pounds, and in Jamaica Government imports by £60,806 in value.

The import statistics given further on in this report record the 1934 imports of all the above-mentioned commodities.

SOURCES OF SUPPLY

Of total imports in 1935, the United Kingdom was again the largest supplier, being credited with £1,954,897, representing 40·3¹ per cent of the total; the United States with £879,932 (18·1 per cent), Canada with £794,177 (16·4 per cent), other British Empire countries with £727,027 (15 per cent), Germany with £95,673 (1·9 per cent), Japan with £83,107 (1·7 per cent), and other foreign countries with £415,674 (6·6 per cent).

Apart from the United Kingdom and Canada, the chief British Empire countries from which Jamaica purchased goods during 1935 were: Trinidad, £262,882 (chiefly kerosene oil and gasoline); India, £163,689 (chiefly jute sacks and rice); Newfoundland, £115,301 (fish); Hongkong, £58,141 (chiefly apparel, rubber-soled canvas shoes, cotton and silk hosiery, and other cotton and silk manufactures, tea, and some other items); New Zealand, £43,287 (chiefly butter, fresh meat, grease); and Australia, £28,756 (mainly flour, and small quantities of wine).

Among foreign countries other than the United States the following are prominent: Germany, £95,673 (chiefly bicycles and parts, brooms and brushes, cement, chemicals, chinaware, clocks, cotton manufactures, flour, glassware, haberdashery and millinery, honey barrels, hops, iron wire netting, chemical manures, medicines, paper, perfumery, sewing machines, steel bars and sheets, toys and games, and wooden manufactures); Japan, £83,107 (chiefly apparel, travelling bags, bicycles and parts, cotton manufactures, cutlery, electrical appliances, haberdashery and millinery, hardware, hats, jewellery, unspecified leather goods, paint, perfumery, silk and artificial silk broadstuffs, other silk manufactures, soap, stationery, toys and games, and wooden manufactures); Holland, £55,675 (chiefly condensed milk, leaf tobacco, and paper); France, £43,482 (chiefly perfumery, silk goods, wines and spirits); Dutch West Indies, £39,660 (chiefly fuel oils); and Siam, £26,145 (chiefly rice).

Imports from Japan in 1932, 1933, and 1934 were very much greater than in 1935, and in each of those three years Jamaica purchased from Japan goods of greater aggregate value than she did from any foreign country except the United States. The quota regulations applied by the Jamaica Government as from June, 1934, to imports of foreign cotton and rayon piece-goods, and the increased tariff preference granted at about the same time on boots, shoes, and apparel of all kinds manufactured in the British Empire, have put back the volume of the purchases from Japan to about the same level as that of 1931 and preceding years, when Japan was not a large factor in the colony's import trade.

¹ As in former years, imports by parcels post are not taken into account in this calculation, as they are not recorded in detail in the Jamaican customs returns, but the omission makes little or no difference in the percentages.

It will be noted that Germany, with £95,673 to her credit, held second place among foreign countries during 1935; in the preceding year imports from Germany were £80,186.

IMPORTS BY CATEGORIES

Divided into the British Board of Trade categories, Jamaica's imports in 1935 appear as follows:—

Food, drink and tobacco	£1,472,246
Raw materials and articles mainly unmanufactured	275,364
Articles wholly or mainly manufactured	3,101,450
Animals, not for food	5,025
Bullion, specie and parcels post	155,821
Total	£5,009,906

Of the £155,821 representing bullion, specie, and parcels post, the last-named accounted for £155,092.

IMPORTS FROM CANADA

As in former years, Canada was in 1935 the largest single supplier of goods classified as food, drink, and tobacco, with £483,034 to her credit; the United Kingdom is credited with £343,765, the United States with £156,735, and other countries with £488,712. Jamaica's heavy purchases of fish from Newfoundland and of flour from Great Britain and Australia notably helped to swell the last-named figure.

In manufactured goods Canada had made moderate progress in 1934 over the three preceding years; in 1935 her share of this important business was greater in value than that of any year since 1929.

The exchange situation, favourable for some time past to purchases from the Dominion (sterling being Jamaica's monetary unit), no doubt contributed towards this expansion of trade, but the greater interest taken by Canadian manufacturers in the possibilities of the Jamaican market, and the higher tariff preferences granted in June, 1934, upon apparel, boots and shoes of British Empire origin, also were factors. Those preferences have, however, likewise benefited Great Britain and Hongkong, a British Crown Colony; in 1935 the latter had the second largest share of Jamaica's custom in wearing apparel, and the largest in rubber-soled canvas shoes and cotton hosiery.

Of the imports of manufactured goods during 1935, the United Kingdom is credited with £1,489,407, the United States with £595,797, Canada with £300,961, and other countries with £715,285. The following table showing values of total imports of such goods (except food, drink, and tobacco) year by year beginning with 1927, when the present Canada-West Indies Trade Agreement was put into effect by Jamaica, as compared with imports from Canada, is of interest:—

Imports of Manufactured Goods into Jamaica

Year	Total	From Canada
1927	£3,062,574	£306,310
1928	3,261,147	319,433
1929	3,256,027	314,297
1930	3,166,818	236,982
1931	2,398,623	193,981
1932	2,412,622	172,538
1933	2,517,161	172,416
1934	2,932,270	239,725
1935	3,101,450	300,961

It is evident from the above that during 1934 and 1935 Canada's position considerably improved over that of 1930, 1931, 1932, and 1933. There is no means of ascertaining the quantity of increase, but the fact that commodity values were much higher in 1927, 1928, 1929, and (though to a lesser extent) in 1930 than they have been in the succeeding five years, suggests that the volume of Jamaica's purchases from the Dominion in 1935 was at least as great as, and

most probably greater than, the volume in 1927, 1928, and 1929. This progress is especially gratifying because, in existing circumstances, manufactured goods appear to offer the most favourable opportunity for the improvement of Canada's export trade to Jamaica.

TREND OF THE IMPORT TRADE

The following table shows the trend of Jamaica's import trade in the past three calendar years:—

From	1933	Per Cent	1934	Per Cent	1935	Per Cent
United Kingdom.	£1,697,475	40.3	£1,809,917	39.2	£1,954,897	40.3
United States ..	687,937	16.3	847,289	18.3	879,932	18.1
Canada	675,297	16.0	734,825	16.0	794,177	16.4
Other countries..	1,158,046	27.4	1,229,603	26.5	1,225,808	25.2
Parcels post. . .	149,088	.....	155,435	.....	155,092	.....
Total. . . .	£4,367,843	100.0	£4,777,069	100.0	£5,009,906	100.0

Canada's percentage in 1932 was 15; in 1931, 17.5; in 1930, 16.4; in 1929, 18; in 1928, 19.4; and in 1927, when the existing Canada–West Indies Trade Agreement was implemented by Jamaica, 18.8. In recent years, fish and flour, two very large items of import, in the former of which Canada holds second and in the latter first place, have declined in value; New Zealand has supplanted Canada as by far the largest shipper of butter to Jamaica; much of the colony's flour business, formerly in Canadian hands, has been transferred to English and (latterly) to Australian millers.

Jamaica used to buy most of her preserved fish from Canada; for some years past, although the Dominion still has a very large share of this valuable trade, Newfoundland has held first place. For these and other reasons, including Canada's loss, first of all to Japan and afterwards to Hongkong, of the bulk of Jamaica's trade in rubber-soled canvas shoes, the Canadian percentage of Jamaica's custom has declined during late years. On the other hand, Canada's position as a supplier of wearing apparel, women's leather shoes, and some other manufactures has notably improved.

In 1935 British Empire countries supplied 71.7 per cent of Jamaica's total import requirements. The percentage in 1934 was 69.2; in 1933, 69.6; in 1932, 69.5; in 1931, 60.5; in 1930, 58.8; and in 1929, 62.4.

DETAILS OF PRINCIPAL IMPORTS, 1935

CLASS I—FOOD, DRINK, AND TOBACCO

Aerated and Mineral Waters.—Total, 8,097 dozen bottles (£1,648): France, 4,821 dozens (£910); United Kingdom, 2,270 dozens (£478); United States, 655 dozens (£152).

Baking Powder.—Total, 63,087 pounds (£1,818): United Kingdom, 39,151 pounds (£1,164); United States, 23,012 pounds (£633).

Beer, Ale, Stout and Porter.—Total, 137,712 gallons (£34,358): United Kingdom, 124,477 gallons (£31,501); Canada, 3,344 gallons (£782); Holland, 3,054 gallons (£565); Germany, 2,864 gallons (£698); Cuba, 1,642 gallons (£443); United States, 1,329 gallons (£178). Total imports in 1934 were 132,823 gallons (£34,896). There is a local brewery, doing a good trade.

Biscuits, Bread, and Cake (a) Sweetened.—Total, 77,418 pounds (£4,315): United Kingdom, 50,057 pounds (£3,100); United States, 24,328 pounds (£1,071); Irish Free State, 1,454 pounds (£62); Canada, 1,295 pounds (£71).

(b) *Unsweetened, in Bulk.*—Total, 4,060 pounds (£96): New Zealand, 2,880 pounds (£48); Canada, 1,130 pounds (£46).

(c) *Unsweetened, not in Bulk.*—Total, 25,227 pounds (£1,586): Canada, 11,050 pounds (£601); United Kingdom, 8,325 pounds (£624); United States, 3,845 pounds (£216); Irish Free State, 1,862 pounds (£127).

Butter.—Total, 1,078,236 pounds (£39,037): New Zealand, 1,062,050 pounds (£38,211); Canada, 6,639 pounds (£403); Irish Free State, 6,498 pounds (£244); United Kingdom, 2,417 pounds (£139). Total imports in 1934 were 1,116,743 pounds (£38,394).

Butter Substitutes.—Total, 838,125 pounds (£14,247): United Kingdom, 836,609 pounds (£14,224); small remainder from Holland and the United States. Total imports in 1934 were 613,242 pounds (£11,746).

Cattle and Other Animal Foods (a) Bran and Middlings.—Total, 307,815 pounds (£1,290): Canada, 291,765 pounds (£1,241); Australia, 14,000 pounds (£41).

(b) *Other Kinds.*—Total, 518,422 pounds (£2,594): Canada, 373,090 pounds (£1,797); United Kingdom, 80,495 pounds (£541); Haiti, 52,639 pounds (£172); United States, 11,302 pounds (£74).

Cheese.—Total, 593,570 pounds (£17,781): Canada, 540,450 pounds (£15,765); New Zealand, 29,238 pounds (£724); United Kingdom, 11,037 pounds (£586); Holland, 5,915 pounds (£227); Switzerland, 2,104 pounds (£161); United States, 1,982 pounds (£143); Italy, 1,143 pounds (£71). Total imports in 1934 were 563,360 pounds (£16,461).

Cocoa, Prepared.—Total, 351,430 pounds (£5,010): United Kingdom, 167,487 pounds (£4,195); France, 94,069 pounds (£175); Holland, 38,416 pounds (£420); United States, 2,902 pounds (£127).

Confectionery.—Total, 563,208 pounds (£22,054): United Kingdom, 423,158 pounds (£16,688); United States, 102,711 pounds (£3,977); Canada, 24,670 pounds (£954); Hongkong, 3,913 pounds (£45); Holland, 3,609 pounds (£194). Total imports in 1934 were 440,968 pounds (£18,987).

Eggs.—Total, 14,694 dozen (£773): United States, 8,994 dozen (£596); Haiti, 3,787 dozen (£84); Canada, 1,587 dozen (£75).

Fish (a) Alewives.—Total, 1,124,500 pounds (£7,595): Canada, 1,116,500 pounds (£7,548). The 1934 imports totalled 1,323,800 pounds (£7,523).

(b) *Canned.*—Total, 1,248,443 pounds (£25,198): United States, 798,969 pounds (£14,373); Canada, 334,674 pounds (£7,472); United Kingdom, 101,570 pounds (£2,505); Norway, 4,288 pounds (£193); France, 3,526 pounds (£359); China, 2,427 pounds (£82). Total imports in 1934 were 989,490 pounds (£21,018).

(c) *Dried Salted.*—Total, 16,128,220 pounds (£186,814): Newfoundland, 9,672,476 pounds (£114,174); Canada, 6,412,202 pounds (£69,911); United States, 16,449 pounds (£730); United Kingdom, 13,401 pounds (£170). Imports in 1934 totalled 13,941,138 pounds (£172,973).

(d) *Fresh.*—Total, 26,776 pounds (£546): United States, 17,386 pounds (£238); Canada, 8,495 pounds (£267).

(e) *Herring, Pickled.*—Total, 1,212,800 pounds (£7,434): Canada, 1,158,600 pounds (£7,111); Newfoundland, 54,200 pounds (£323). Imports in 1934 totalled 980,670 pounds (£4,939).

(f) *Herring, Smoked.*—Total, 73,390 pounds (£732): Norway, 46,912 pounds (£327); Canada, 14,498 pounds (£193); United Kingdom, 6,240 pounds (£161).

(g) *Mackerel, Pickled.*—Total, 6,163,590 pounds (£53,978): Canada, 6,121,650 pounds (£53,638); Newfoundland, 41,800 pounds (£336). Imports in 1934 totalled 8,435,800 pounds (£60,518).

The increase in imports of pickled herring, and the decrease in those of pickled mackerel—in 1935 as compared with 1934—is a reversal of a trend manifest in the past few years, following a change of taste in favour of mackerel, which is now imported in far larger quantities than it used to be; the contrary applies to herring.

(h) *Salmon, Pickled.*—Total, 30,345 pounds (£577): Newfoundland, 20,370 pounds (£412); Canada, 9,575 pounds (£152).

(i) *Salmon, Smoked.*—Total, 1,857 pounds (£65): Canada, 1,829 pounds (£65).

Fruit, Fresh (a) Apples.—Total, 247,857 pounds (£2,549): United States, 216,267 pounds (£2,338); New Zealand, 24,000 pounds (£121); Canada, 7,590 pounds (£90).

(b) *Other Kinds.*—Total, 89,514 pounds (£1,749): United States, 87,000 pounds (£1,715).

(c) *Dried.*—Total, 720,047 pounds (£8,290): United States, 557,279 pounds (£5,495); United Kingdom, 7,627 pounds (£216).

Grain (a) Corn.—Total, 667,626 pounds (£3,560): United States, 555,875 pounds (£3,214); Haiti, 109,350 pounds (£337). Total imports in 1934 were 1,642,573 pounds (£5,397).

(b) *Oats.*—Total, 1,368,379 pounds (£5,307): Canada, 1,256,622 pounds (£4,908); New Zealand, 110,000 pounds (£392).

(c) *Wheat.*—Total, 461,115 pounds (£2,135): Canada, 457,711 pounds (£2,099).

(d) *Wheat Flour.*—Total, 409,059 bags of 196 pounds (£357,701): Canada, 255,762 bags (£237,596); United Kingdom, 103,909 bags (£82,283); Australia, 34,807 bags (£26,039); France, 8,688 bags (£5,788); United States, 4,960 bags (£5,320); Germany, 930 bags (£688). Total imports in 1934 were 402,175 bags (£337,933).

Besides the above, other kinds of flour totalling 94 bags of 196 pounds valued at £238 were imported during 1935, principally from the United States. Prior to that year, Australian flour was practically unknown in Jamaica, and wholly unknown prior to 1934.

(e) *Cornmeal.*—Total, 53,518 bags of 196 pounds (£40,478): United Kingdom, 28,484 bags (£21,200); Canada, 23,111 bags (£17,892); United States, 1,580 bags (£1,155).

(g) *Oatmeal.*—Total, 398 bags of 196 pounds (£1,086): Canada, 205 bags (£349); United Kingdom, 193 bags (£737).

(g) *Peas and Beans, Split.*—Total, 331,270 pounds (£2,246): Canada, 248,570 pounds (£1,706); United Kingdom, 82,350 pounds (£534).

(h) *Farinaceous Preparations, Unenumerated.*—Total, 825,285 pounds (£13,213): United States, 526,609 pounds (£8,385); Canada, 210,253 pounds (£3,412); Straits Settlements, 30,422 pounds (£270); United Kingdom, 25,852 pounds (£905); Holland, 24,383 pounds (£172). Various kinds of breakfast foods and other prepared cereals were large items of this category.

Hops.—Total, 40,061 pounds (£1,426): Germany, 30,040 pounds (£849); United Kingdom, 5,212 pounds (£140); Czechoslovakia, 2,055 pounds (£192); Yugoslavia, 1,954 pounds (£226). Practically all these imports were used by the local brewery.

Jams, Jellies, and Preserved Fruits.—Total, 348,735 pounds (£8,992): United Kingdom, 143,859 pounds (£3,754); United States, 138,499 pounds (£3,667); Canada, 32,799 pounds (£692); Hongkong, 11,952 pounds (£232); China, 6,514 pounds (£174); France, 1,755 pounds (£149). Canned fruits of various kinds—mainly pears, peaches, apricots, cherries, and strawberries—are included in this category.

Lard and Its Substitutes.—Total, 1,030,584 pounds (£19,006): United Kingdom, 956,902 pounds (£16,495); Canada, 49,010 pounds (£1,635); United States, 24,128 pounds (£861). Total imports in 1934 were 1,013,002 pounds (£17,342).

Malt.—Total, 322,486 pounds (£2,412): Canada, 283,048 pounds (£2,080); Hungary, 20,000 pounds (£149); Germany, 11,000 pounds (£98); United States, 7,990 pounds (£80).

Meats (a) Fresh.—Total, 114,955 pounds (£4,662): New Zealand, 41,169 pounds (£1,173); Canada, 37,392 pounds (£1,623); United States, 19,135 pounds (£1,162); United Kingdom, 12,788 pounds (£528). Imports in 1934 totalled 97,974 pounds (£4,246). This is a small luxury trade which, however, seems to be growing slowly.

(b) *Canned*.—Total, 731,122 pounds (£15,150): Argentina, 502,949 pounds (£9,486); Uruguay, 142,578 pounds (£1,731); United States, 58,121 pounds (£2,390); United Kingdom, 16,483 pounds (£981); Canada, 6,218 pounds (£222); Hongkong, 1,984 pounds (£145). Total imports in 1934 were 720,315 pounds (£13,369).

(c) *Bacon*.—Total, 188,235 pounds (£9,927): United Kingdom, 108,071 pounds (£6,476); Canada, 43,487 pounds (£1,864); United States, 24,930 pounds (£1,170); Denmark, 4,534 pounds (£169); Irish Free State, 2,659 pounds (£108). Imports in 1934 totalled 152,480 pounds (£6,152).

(d) *Beef, Wet Salted*.—Total, 1,328,398 pounds (£22,872): United Kingdom, 914,129 pounds (£16,242); Argentina, 280,000 pounds (£4,162); United States, 112,000 pounds (£2,130); Uruguay, 20,000 pounds (£305). Imports in 1934 totalled 1,294,760 pounds (£18,301).

(e) *Ham*.—Total, 393,062 pounds (£21,653): United States, 248,684 pounds (£13,709); United Kingdom, 66,555 pounds (£4,175); Canada, 46,246 pounds (£2,142); Holland, 16,371 pounds (£905); Denmark, 5,687 pounds (£300); Esthonia, 4,139 pounds (£190). Total imports in 1934 were 373,914 pounds (£15,405).

(f) *Pork, Wet Salted*.—Total, 820,264 pounds (£19,236): United States, 590,531 pounds (£13,970); Canada, 161,800 pounds (£3,812); France, 57,600 pounds (£1,217). Total imports in 1934 were 1,314,872 pounds (£18,822).

(g) *Sausages, Wet Salted or Cured*.—Total, 22,953 pounds (£1,080): Canada, 10,242 pounds (£377); United States, 5,543 pounds (£290); United Kingdom, 3,756 pounds (£182); Hongkong, 1,672 pounds (£121); China, 1,400 pounds (£91).

(h) *Tongues, Wet Salted*.—Total, 11,700 pounds (£403): Canada, 10,900 pounds (£370); United States, 800 pounds (£33).

(i) *Meats, Salted, Cured, Smoked, or Pickled, Uncenumerated*.—Total, 4,998 pounds (£504): Canada, 2,399 pounds (£110); United Kingdom, 1,474 pounds (£316).

Milk, Condensed, Unskimmed.—Total, 6,791,041 pounds (£104,114): Holland, 2,312,999 pounds (£29,639); United Kingdom, 1,676,858 pounds (£30,303); United States, 768,152 pounds (£12,288); Canada, 731,690 pounds (£14,756); Irish Free State, 639,522 pounds (£6,947); Denmark, 617,353 pounds (£9,417); New Zealand, 41,327 pounds (£526).

Imports of unskimmed condensed milk in 1934 totalled 6,933,659 pounds (£112,396). The import duties on skimmed condensed are prohibitive.

Milk, Powdered.—Total, 43,656 pounds (£1,442): New Zealand, 21,153 pounds (£415); Canada, 18,197 pounds (£732); United States, 2,890 pounds (£196).

Pickles.—Total, £559: United Kingdom, £390; United States, £110; Canada, £57.

Sauces.—Total, £1,778: United Kingdom, £892; China, £250; Canada, £247; Hongkong, £225; United States, £158.

Provisions.—Total, £25,828: United Kingdom, £12,058; United States, £8,952; Canada, £2,592; China, £862; Hongkong, £851. Included in this item is a wide range of foodstuffs not separately classified.

Salt.—A total of 339 long tons of rock salt valued at £1,010 was imported, chiefly from Germany. Imports of other kinds of salt, including that for table and kitchen use, totalled 17,939,376 pounds valued at £16,509, the principal suppliers being the Turks Islands, the United Kingdom, and the Bahamas in that order. Total imports of both kinds in 1934 were respectively 346 long tons (£1,130) and 16,361,352 pounds (£15,690).

Spirits.—Total imports of brandy were 3,034 gallons valued at £5,555, of which France supplied almost all. Imports of gin totalled 6,187 gallons (£4,209), of which the United Kingdom shipped 6,000 gallons (£4,139).

Whisky totalled 33,659 gallons (£36,278), of which the United Kingdom supplied 29,796 gallons (£34,072) and Canada 3,322 gallons (£3,525).

Tea.—Total, 118,244 pounds (£10,396): Ceylon, 82,724 pounds (£7,950); Hongkong, 24,201 pounds (£1,556); India, 6,160 pounds (£430); United Kingdom, 3,680 pounds (£283).

Tobacco (a) Leaf for Blending.—Total, 504,169 pounds (£28,676): United States, 432,791 pounds (£26,154); Canada, 70,458 pounds (£2,462); Southern Rhodesia, 902 pounds (£57). Total imports in 1934 were 445,616 pounds (£22,730). On October 15, 1935, the Jamaican

customs duties on imported unmanufactured leaf tobacco of this kind, which is used for making cigarettes, was increased to 4s. 3d. per pound under the British preferential tariff and to 5s. 8d. per pound under the general tariff. The former rates were respectively 2s. 6d. and 3s. 4d. per pound. The purpose of the increase was to raise more revenue for the Jamaica Government.

(b) *Leaf for Cigar Wrappers*.—Total, 30,165 pounds (£5,191): Holland, 27,712 pounds (£4,957); Dutch East Indies, 1,949 pounds (£204). Total imports in 1934 were 22,338 pounds (£4,338).

(c) *Cigarettes*.—Total, 27,637 pounds (£8,433): United Kingdom, 24,959 pounds (£7,885); United States, 2,674 pounds (£548). Cigarettes are extensively manufactured in Jamaica.

(d) *Other Kinds of Manufactured Tobacco*.—Total, 6,664 pounds (£1,394): Canada, 3,350 pounds (£438); United Kingdom, 2,685 pounds (£847); United States, 495 pounds (£87).

Pipe tobacco is the chief item of this category. Cigars of Havana type are made in Jamaica in a large way.

Vegetables, Fresh (a) *Onions and Garlic*.—Total, 1,352,360 pounds (£6,911): United States, 418,277 pounds (£2,622); Egypt, 410,253 pounds (£1,790); Canada, 296,500 pounds (£1,323); Cyprus, 185,600 pounds (£747); Chile, 12,756 pounds (£187); Mexico, 7,976 pounds (£134). Onions were the principal articles included in this classification; not much garlic is imported.

(b) *Potatoes*.—Total, 1,503,619 pounds (£4,958): Canada, 1,411,944 pounds (£4,655); United States, 52,555 pounds (£155); United Kingdom, 38,472 pounds (£140).

Vegetables, Dried, Canned, or Preserved.—Total, 103,292 pounds (£1,776): Canada, 58,834 pounds (£630); United States, 24,642 pounds (£706); United Kingdom, 13,797 pounds (£263); Belgium, 3,784 pounds (£97). Canned peas and tomatoes were the chief items of this classification; canned asparagus, celery, and corn were also imported in small quantities.

Wines.—Total imports of sparkling wines were 2,818 gallons valued at £5,019, supplied mainly by France. Champagne was a large item. Still wines, principally claret, port, grave, sauterne, and sherry, were imported in the total quantity of 16,898 gallons (£11,004); the chief suppliers were France, Spain, and Australia.

CLASS II—RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Coal, Coke, Charcoal, and Patent Fuel.—Total imports were as follows: bituminous coal for bunkering, 103,649 long tons (£109,892); bituminous coal for other purposes, total 20,074 long tons (£27,913); coke and patent fuel, £316 in value; charcoal, 2,600 pounds (£58). The only countries of supply were the United Kingdom and the United States, the former having most of the trade except in the case of charcoal, which came principally from the United States. In 1934 imports of bituminous coal for bunkering totalled 97,401 long tons (£102,334); and of bituminous coal for other purposes, 27,859 long tons (£54,020).

Hay and Chaff.—Total, 107,629 pounds (£372): Canada, 107,229 pounds (£370). Grass and other fodder are extensively grown in Jamaica; hence the small imports.

Manures, not Chemical.—Total, 397 long tons (£1,043): from the United Kingdom, the United States, and certain small islands in the Caribbean, mostly from the last-named.

Wood and Timber, Unmanufactured (a) *Douglas Fir, Rough*.—Total, 284,038 feet (£1,537): entirely from Canada. Total imports in 1934 were 1,182,215 feet (£5,781).

(b) *Douglas Fir, Dressed*.—Total, 541,979 feet (£3,201): entirely from Canada. Imports in 1934 totalled 1,495,324 feet (£9,030).

(c) *Pitch Pine, Rough*.—Total, 6,818,375 feet (£45,222): United States, 5,885,448 feet (£38,850); Bahamas, 932,927 feet (£6,372). The 1934 imports totalled 8,398,402 feet (£56,730).

(d) *Pitch Pine, Dressed*.—Total, 9,650,612 feet (£66,081): United States, 9,017,454 feet (£60,449); Bahamas, 633,158 feet (£5,632). Total imports in 1934 were 9,436,116 feet (£65,129).

(e) *White Pine, Rough*.—Total, 22,556 feet (£204): entirely from Canada. The 1934 imports totalled 197,988 feet (£1,385).

(f) *White Pine, Dressed*.—Total, 16,761 feet (£160): entirely from Canada. Total imports in 1934 were 190,993 feet (£1,372).

(g) *Unenumerated, Rough*.—Total, 232,820 feet (£3,334): Bahamas, 120,000 feet (£1,021); Canada, 48,125 feet (£311); United States, 40,596 feet (£1,602); British Guiana, 11,664 feet (£141); United Kingdom, 10,082 feet (£200). Total imports in 1934 were 246,160 feet (£3,550).

(h) *Unenumerated, Dressed*.—Total, 166,010 feet (£1,609): Bahamas, 90,000 feet (£957); Canada, 64,248 feet (£404); United States, 11,762 feet (£248). Total imports in 1934 were 13,723 feet (£225).

Shingles (a) *Cypress and Wallaba*.—Total, 215,750 in number (£829): entirely from the United States. Total imports in 1934 were 778,025 in number (£2,598).

(b) *Cedar and Other Kinds*.—Total, 1,624,264 in number (£3,141): Canada, 1,448,926 (£2,717); United States, 175,338 (£424). Cedar shingles greatly predominated. The 1934 imports totalled 1,693,048 in number (£3,710).

Creosoted Piles.—Total £380 in value: mostly from Germany. The 1934 total was £4,879.

CLASS III—ARTICLES WHOLLY OR MAINLY MANUFACTURED

Apparel.—Total, £83,413: United Kingdom, £35,119; Hongkong, £23,779; Canada, £11,848; United States, £5,067; Japan, £4,453; Poland, £1,567; China, £1,463. Total imports in 1934 were valued at £81,145.

Ammunition and Explosives.—Total imports of cartridges, principally for sporting purposes, were 447,449 in number, valued at £2,921, of which the United Kingdom supplied 374,400 (£2,555) and the United States 72,949 (£365).

Explosives, viz. dynamite and gunpowder, totalled 57,266 pounds (£2,773); the United Kingdom and the United States were the only suppliers. Other kinds of explosives (not specified), also shipped solely from these two countries, represented a total value of £1,244. Imports of firearms, chiefly fowling pieces and revolvers, totalled 342 in number (£663); these originated mostly in the United States.

Bags (Travelling and Tool), Trunks, and Valises.—Total, 53,925 in number (£5,090): United Kingdom, 33,035 (£4,031); Japan, 16,750 (£310); United States, 2,250 (£359); Canada, 1,604 (£335).

Bags and Sacks, for Putting Up Jamaica Produce.—Total, 1,328,465 in number (£38,335): India, 1,296,050 (£37,419); United States, 32,415 (£916). The 1934 imports totalled 1,405,236 in number (£38,862).

Beekeeping Apparatus.—Total, £537: United States, £478; Canada, £59. Frames are the chief items imported under this classification.

Blacking and Polishes.—Total, 286,187 pounds (£14,189): United Kingdom, 262,482 pounds (£13,259); United States, 20,218 pounds (£837); Japan, 2,346 pounds (£30); Canada, 743 pounds (£35).

Blue.—Total, 88,109 pounds (£3,852): United Kingdom, 85,842 pounds (£3,789): remainder from Germany and the United States.

Books (a) Printed.—Total, £15,986: United Kingdom, £11,757; United States, £3,578; Canada, £325; Switzerland, £207.

Boots, Shoes, Pumps, and Slippers (a) of Leather.—Total, 32,365 dozen pairs (£102,736): United Kingdom, 26,062 dozens (£86,720); Canada, 3,228 dozens (£12,275); Czechoslovakia, 546 dozens (£1,576); Hongkong, 250 dozens (£276); Cuba, 159 dozens (£1,353). The 1934 imports totalled 61,816 dozen pairs (£158,245); these, and also the imports of rubber-soled canvas shoes in the same year, were abnormally large. Local merchants bought heavily in anticipation of tariff action by the Government against Japanese footwear. The imports from Canada in 1935 were women's shoes. Canadian styles are popular, and this business seems likely to grow.

(b) *Of Rubber or Canvas with Rubber Soles.*—Total, 45,459 dozens (£30,546): Hongkong, 33,547 dozen (£21,104); India, 5,177 dozen (£3,339); United Kingdom, 2,475 dozen (£2,268); Canada, 2,073 dozen (£2,242); Czechoslovakia, 1,461 dozen (£1,189); Japan, 726 dozen (£401). Imports in 1934 totalled 72,049 dozen pairs (£45,488).

(c) *Of Other Materials.*—Total, 436 dozens (£608): Hongkong, 182 dozen (£47); Canada, 179 dozen (£503); United Kingdom, 68 dozen (£48). Total imports in 1934 were 2,100 dozen pairs (£936).

Bricks and Tiles.—Total, 195,306 in number (£1,569): United Kingdom, 115,880 (£1,033); Germany, 55,202 (£237); Brazil, 10,000 (£65); United States, 9,947 (£194).

Brooms and Brushes.—Total, 254,879 in number (£5,841): Japan, 115,565 (£614); United Kingdom, 49,350 (£2,383); United States, 35,589 (£1,556); Canada, 23,889 (£688); Germany, 15,789 (£401); Belgium, 10,944 (£132).

Buckets, Pails, and Tubs of Metal.—Total, 45,458 in number (£2,438): United Kingdom, 37,033 (£1,965); Belgium, 4,827 (£131); Canada, 2,744 (£278).

Carriages, Carts, and Wagons (a) Aircraft and Parts.—Total, £111: entirely from the United States.

(b) *Bicycles.*—Total, 3,823 in number (£9,822): United Kingdom, 3,653 (£9,530); Japan, 159 (£260).

(c) *Bicycle Tires and Tubes.*—Total, 41,251 in number (£2,833): United Kingdom, 31,029 (£2,269); Japan, 8,638 (£398); France, 1,184 (£142).

(d) *Bicycle Parts, Other.*—Total, £5,667: United Kingdom, £4,532; Germany, £776; Japan, £253.

(e) *Motor Cars.*—Total, 1,066 in number (£141,940): Canada, 598 (£74,876); United Kingdom, 294 (£36,450); United States, 223 (£30,589). Total imports in 1934 were 849 cars (£113,785).

(f) *Motor Car Tires.*—Total, 18,431 in number (£35,995): Canada, 13,941 (£28,806); United Kingdom, 3,785 (£5,836); United States, 689 (£1,310). The 1934 imports totalled 20,461 in number (£32,336).

(g) *Motor Car Tubes.*—Total, 15,650 in number (£3,537): Canada, 11,808 (£2,525); United Kingdom, 2,992 (£781); United States, 844 (£229).

(h) *Other Parts of Motor Cars.*—Total, £30,387: United States, £18,069; United Kingdom, £6,186; Canada, £6,030.

(i) *Motor Cycles.*—Total, nine in number (£624): entirely from the United Kingdom.

(j) *Motor Cycle Tires and Tubes.*—Total, 1,599 in number (£268): United Kingdom, 1,595 (£265).

(k) *Other Parts of Motor Cycles*.—Total, £103: United Kingdom, £69; United States, £34.

(l) *Motor Trucks*.—Total, 457 in number (£70,390): Canada, 297 (£42,522); United States, 86 (£13,905); United Kingdom, 74 (£13,963). Imports in 1934 totalled 415 trucks (£54,941).

(m) *Motor Truck Tires*.—Total, 1,888 in number (£6,200): Canada, 1,497 (£4,705); United States, 388 (£1,481).

(n) *Motor Truck Tubes*.—Total, 1,138 in number (£154): Canada, 1,083 (£426).

(o) *Other Parts of Motor Trucks*.—Total, £1,172: United States, £982; Canada, £119; United Kingdom, £71.

(p) *Railway Rolling Stock*.—Total, £2,704: United States, £2,214; United Kingdom, £305; Germany, £185.

(q) *Trailers*.—Total, three in number (£311): Canada, 2 (£300); United States, 1 (£11).

(r) *Other Carriages*.—Total, £268: United States, £154; United Kingdom, £84; Canada, £26; Japan, £4.

(s) *Parts of Other Carriages*.—Total, £1,295: United Kingdom, £638; United States, £461; Canada, £196.

Cement, Portland.—Total, 128,769 barrels of 400 pounds (£53,565): United Kingdom, 98,460 barrels (£42,346); Denmark, 11,250 barrels (£4,500); Germany, 9,151 barrels (£2,893); Cuba, 6,580 barrels (£2,284); Canada, 2,813 barrels (£1,267); small remainder from Belgium and the United States. These imports were of "approved brands." Imports of other kinds of cement totalled 519 barrels (£199), and were supplied mostly by Germany. The 1934 imports of "approved brands" totalled 153,209 barrels (£65,142).

Chemicals (a) Calcium Carbide.—Total, 49,974 pounds (£415): Canada, 37,500 pounds (£286).

(b) *Disinfectants*.—Total, £1,639: United Kingdom, £1,591.

(c) *Insecticides and Vermin Killers*.—Total, £5,581: United Kingdom, £3,440; United States, £1,963.

(d) *Tanning and Dyeing Materials*.—Total, £1,229: United Kingdom, £592; Germany, £333; United States, £302.

(e) *Other Kinds*.—Total, £29,176: United Kingdom, £16,492; United States, £4,801; Germany, £3,068; Trinidad, £1,922; Canada, £1,339.

China-ware, Earthenware, and Pottery.—Total, £23,999: Japan, £11,878; United Kingdom, £4,444; Germany, £3,839; United States, £1,636; Belgium, £1,495.

Clocks.—Total, 11,923 in number (£1,978): Germany, 9,622 (£1,083); United States, 1,184 (£335); Switzerland, 338 (£195); United Kingdom, 219 (£259).

Cordage and Twine (a) Rope.—Total, 392,237 pounds (£3,092): Cayman Islands, 307,823 pounds (£1,671); United Kingdom, 79,310 pounds (£1,284); Canada, 1,945 pounds (£32).

(b) *Sash Cord*.—Total, 2,776 pounds (£165): United Kingdom, 2,149 pounds (£120).

(c) *Twine*.—Total, 87,898 pounds (£4,463): United Kingdom, 63,349 pounds (£3,370); United States, 12,934 pounds (£590); India, 7,344 pounds (£124); Canada, 4,140 pounds (£219).

Cork Manufactures.—Total, £2,765: Spain, £1,474; United Kingdom, £726; United States, £269; Portugal, £169; Canada, £105.

Cotton Manufactures (a) Hosiery.—Total, 323,763 pairs (£6,546): Hongkong, 166,965 pairs (£2,391); United Kingdom, 144,004 pairs (£3,767); Canada, 12,174 pairs (£375). Imports in 1934 totalled 732,535 pairs (£11,075)—an abnormally large quantity, due to heavy purchases by local merchants.

(b) *Piece-goods*.—Total, 28,970,310 yards (£433,273): United Kingdom, 22,156,356 yards (£347,831); United States, 6,680,808 yards (£81,789); France, 25,789 yards (£737); Belgium, 25,551 yards (£1,113); China, 24,003 yards (£250); Canada, 19,339 yards (£632). Total imports in 1934 were 23,062,295 yards (£341,871).

(c) *Other Manufactures, Unspecified*.—Total, £61,565: United Kingdom, £43,896; Japan, £8,951; United States, £2,816; Hongkong, £1,707; Canada, £1,461; Germany, £1,108. These figures do not include imports of gloves, ribbon, and yarn made of cotton, of which total imports were, respectively, £73, £1,143 and £189. The United Kingdom, France, and Germany were the chief countries of origin.

Cutlery.—Total, £6,507: Germany, £2,426; United Kingdom, £2,041; Japan, £1,119.

Electrical Apparatus (a) Dental Appliances.—Total, £525: United States, £514.

(b) *For Generating Electricity*.—Total, £6,981: United Kingdom, £3,626; United States, £2,876; Canada, £310.

(c) *Radio and Wireless*.—Total, £13,392: United States, £10,033; United Kingdom, £3,056; Holland, £189.

(d) *Radio and Wireless Parts*.—Total, £1,561: United States, £1,442.

(e) *Telegraph and Telephone*.—Total, £12,867: United Kingdom, £10,305; United States, £2,468; Belgium, £94.

(f) *X-Ray Apparatus*.—Total, £229: United States, £169; United Kingdom, £60.

(g) *X-Ray Films*.—Total, £1,747: United Kingdom, £1,613; United States, £134.

(h) *Other Kinds*.—Total, £29,495: United States, £20,070; United Kingdom, £6,305; Japan, £1,424. This category includes bulbs, lamps, irons, toasters, refrigerators, stoves, and other appliances for domestic use.

Fireproof Wallboard.—Total, £1,326: United States, £476; Finland, £363; Sweden, £264; United Kingdom, £101; Canada, £91.

Imports of fire extinguishers and equipment totalled £393, the United Kingdom being the largest supplier. Fireworks totalling £729 were brought in, principally from China.

Glass and Glassware (a) Bottles, Lamps, Lamp Chimneys; and Tableware.—Total, £33,301: Germany, £12,425; United States, £11,047; Japan, £3,249. Imports in 1934 totalled £30,424.

(b) *Other Kinds.*—Total, £5,473: United Kingdom, £1,653; United States, £1,133; Belgium, £987.

Grease.—Total, 1,087,158 pounds (£11,814): Norway, 628,080 pounds (£6,676); United States, 187,998 pounds (£1,964); New Zealand, 135,914 pounds (£1,445); United Kingdom, 130,141 pounds (£1,643).

Haberdashery and Millinery.—Total, £24,640: United Kingdom, £8,860; Japan, £5,643; United States, £5,113; Germany, £1,355.

Hardware and Ironmongery (a) Cash Registers; Casket Hardware; Office, Cabinet, and Other Store Furniture of Iron or Other Metals.—Total, £3,979: Canada, £1,613; United States, £1,189; United Kingdom, £1,014. The 1934 imports totalled £3,153.

(b) *Typewriters.*—Total, £3,072: United States, £1,414; Canada, £809; United Kingdom, £798. Imports in 1934 totalled £2,657.

(c) *Other Kinds.*—Total, £142,325: United Kingdom, £67,352; United States, £31,463; Germany, £18,374; Canada, £11,248; Japan, £7,318. This classification covers a very wide range of goods. Total imports in 1934 were £134,609.

Hats and Bonnets (a) Felt.—Total, £6,827: United Kingdom, £6,568; Canada, £125; Japan, £122.

(b) *Straw.*—Total, £24,312: United Kingdom, £22,196; Canada, £1,334; United States, £723.

(c) *Other Kinds.*—Total, £3,042: United Kingdom, £1,662; Canada, £734; United States, £382; India, £211.

Hemp Manufactures.—Total, £4,096: United Kingdom, £3,763; United States, £271; Germany, £62.

Implements and Tools (a) Agricultural.—Total, £24,149: United Kingdom, £18,612; United States, £4,453; Canada, £584; Germany, £364.

(b) *Artisans.*—Total, £17,361: United States, £10,648; United Kingdom, £4,471; Germany, £1,144.

(c) *Other Kinds.*—Total, £7,640: United States, £2,475; United Kingdom £2,446; Canada, £1,859.

Instruments (a) Scientific.—Total, £3,307: United Kingdom, £2,083; United States, £561; Germany, £548.

(b) *Surgical.*—Total, £903: United Kingdom, £833.

(c) *Other Kinds.*—Total, £292: United States, £152; Germany, £116.

Leather, Dressed and Undressed.—Total, £3,348: United Kingdom, £1,546; United States, £637; Cuba, £491.

Leather Manufactures (other than Boots, Shoes, etc., and Saddlery).—Total, £6,469: United Kingdom, £3,828; Japan, £1,202; United States, £1,054.

Linen Manufactures.—Total, £9,249: United Kingdom, £7,221; China, £1,011; United States, £405.

Machinery, Agricultural (a) Drainage and Irrigation.—Total, £15,396: United States, £8,607; United Kingdom, £6,761.

(b) *Sugar.*—Total, £114,044: United Kingdom, £101,570; United States, £11,016; Cuba, £1,220. Total imports of sugar machinery in 1934 were £81,375.

(c) *Other Kinds of Agricultural Machinery.*—Total, £24,611: United States, £13,560; United Kingdom, £7,594; Cuba, £2,535.

Machinery, Industrial and Manufacturing (a) for Electric Lighting.—Total, £2,981: United Kingdom, £2,066; United States, £730.

(b) *Railway and Tramway.*—Total, £12,089: United Kingdom, £7,712; United States, £2,637; Canada, £1,497.

(c) *Printing.*—Total, £7,686: United Kingdom, £5,768; United States, £1,863; Canada, £55.

(d) *Sewing Machines.*—Total, £7,850: Canada, £5,285; United States, £1,401; Germany, £845; United Kingdom, £275.

(e) *Other Kinds of Industrial and Manufacturing Machinery.*—Total, £6,591: United States, £4,181; United Kingdom, £2,194. Not included in these figures are imports, from Cuba, of shoemaking machinery totalling £867—for the use of a shoe factory lately established in Jamaica.

Other Machinery (a) Cinematograph.—Total, £1,232: United States, £1,142; Canada, £90.

(b) *Marine.*—Total, £831: United Kingdom, £467; United States, £306; Canada, £58.

(c) *Roadmaking.*—Total, £5,956: United Kingdom, £5,922; United States, £34.

(d) *Water and Sewerage.*—Total, £1,689: United Kingdom, £1,089; United States, £200.

(e) *All Other Kinds.*—Total, £31,258: United States, £17,167; United Kingdom, £13,333; Canada, £536.

Machine Accessories.—Total, £6,991: United States, £4,580; United Kingdom, £1,962; Canada, £408.

Manures, Chemical.—Total, 4,874 long tons (£35,610): United Kingdom, 2,435 tons (£17,456); Canada, 885 tons (£4,547); United States, 750 tons (£6,423); Germany, 575 tons (£5,542); Holland, 158 tons (£1,149). Total imports in 1934 were 3,675 tons (£27,396). The use of this material is steadily increasing in Jamaica.

Mats and Matting.—Total, £2,781: United Kingdom, £1,284; Japan, £776; United States, £261; India, £219.

Medical Sundries.—Total, £1,211: United Kingdom, £934; United States, £145; Canada, £103.

Medicines and Drugs, Unspecified.—Total, £71,205: United Kingdom, £29,963; United States, £28,448; Canada, £7,480; Germany, £1,424; China, £1,073. Patent and proprietary medicines were the chief item of this category, which does not include dangerous drugs and quinine. Of these articles the United Kingdom was the principal supplier. Total imports of unspecified medicines and drugs in 1934 were £63,099.

Metals (a) Brass and its Manufactures.—Total, £2,040: United Kingdom, £1,512; Canada, £256; United States, £232.

(b) *Copper and its Manufactures.*—Total, £945: United Kingdom, £609; Germany, £204; United States, £131.

(c) *Iron, Pig.*—Total, £188: entirely from the United Kingdom.

(d) *Iron Bars, not Railway Materials.*—Total, £831: Belgium, £567; United Kingdom, £182.

(e) *Railway Materials of Iron and Steel.*—Total, £9,088: United Kingdom, £5,337; Germany, £1,696; United States, £1,589.

(f) *Iron, Galvanized for Roofing.*—Total, £44,090: United Kingdom, £42,789; United States, £1,297. Total imports in 1934 were £25,531.

(g) *Gas Fixtures of Iron and Steel.*—Total, £3,637: United Kingdom, £3,077; Canada, £455.

(h) *Nails, Screws, and Rivets of Iron and Steel.*—Total, £10,302: Canada, £5,514; Belgium, £3,078; United Kingdom, £1,364.

(i) *Iron and Steel Nails and Staples for Fencing.*—Total, £733: United States, £559; Germany, £142.

(j) *Steel Bars and Sheets.*—Total, £12,388: United Kingdom, £5,137; Germany, £3,161; Belgium, £1,821; France, £1,091.

(k) *Iron Wire for Fencing.*—Total, £8,315: United States, £3,744; Germany, £3,098; Belgium, £674; Holland, £412.

(l) *Iron Wire Netting.*—Total, £6,581: United Kingdom, £3,033; Germany, £2,516; France, £445; Belgium, £395.

(m) *Iron Wire, Other Kinds.*—Total, £4,040: United Kingdom, £2,932; United States, £364; Canada, £302.

(n) *Iron Wire Screen Cloth.*—Total, £1,566: United Kingdom, £686; United States, £582; Japan, £137.

(o) *Hoops and Shooks of Iron and Steel.*—Total, £480: United States, £199; United Kingdom, £157.

(p) *Other Manufactures of Iron and Steel.*—Total, £12,037: United Kingdom, £9,596; Germany, £1,055; United States, £460; Belgium, £396; Canada, £368.

(q) *Lead, Pig.*—Total, £40: entirely from the United Kingdom.

(r) *Lead Ingots.*—Total, £70: entirely from Belgium.

(s) *Lead Manufactures.*—Total, £292: United Kingdom, £283.

(t) *Tin Ingots.*—Total, £104: entirely from the United Kingdom.

(u) *Tin Manufactures.*—Total, £10,619: United Kingdom, £6,336; United States, £3,476; Germany, £408; Denmark, £350.

(v) *Zinc Manufactures.*—Total, £59: United Kingdom, £52. Sheets, buckets, pails, tubs, and roofing made of zinc are not included in this category.

(w) *Metal Containers for Jamaican Produce.*—Total, £4,574: United Kingdom, £3,807; Germany, £276; United States, £222; Cuba, £189.

(w) *Metals, Unenumerated.*—Total, £4,042: United Kingdom, £2,994; United States, £535; Switzerland, £227.

Musical Instruments (a) Pianos and Organs.—Total, 55 in number (£1,849): United Kingdom, 10 (£1,232); United States, 37 (£449). Imports of parts of pianos and organs totalled £70.

(b) *Other Kinds and Parts.*—Total, £5,957: United States, £3,799; United Kingdom, £921; Japan, £411.

Oilcloth, including Linoleum.—Total, £2,004: United States, £1,131; United Kingdom, £485; Canada, £384.

Painters' Colours and Materials.—Total, 1,885,257 pounds (£37,797): United Kingdom, 1,429,130 pounds (£25,200); United States, 286,913 pounds (£9,517); Canada, 79,526 pounds (£2,320); Belgium, 55,180 pounds (£208); Japan, 21,577 pounds (£357); Trinidad, 5,420 pounds (£23); Germany, 3,072 pounds (£34). The 1934 imports totalled 1,947,083 pounds (£37,363).

Paper (a) Playing Cards.—Total, 26,424 packs (£480): United Kingdom, 26,120 packs (£466).

(b) *Printing.*—Total, £16,281: Canada, £9,558; United Kingdom, £4,266; United States, £1,608. Imports in 1934 totalled £13,769.

(c) *Writing.*—Total, £3,765: Canada, £1,882; United Kingdom, £1,352; United States, £300; Holland, £187. Total imports in 1934 were £4,496.

(d) *For Wrapping Fruit.*—Total, £2,012: Canada, £776; Norway, £755; Sweden, £243; United Kingdom, £143; United States, £95.

(e) *Hoops and Shoos of Cardboard or Paper.*—Total, £10,823: Belgium, £4,426; United Kingdom, £4,127; Canada, £1,420; United States, £676. Total imports in 1934 were £6,754.

(f) *Other Kinds.*—Total, £57,882: United States, £15,966; United Kingdom, £14,640; Holland, £10,297; Sweden, £7,132; Canada, £3,713; Germany, £2,677; Switzerland, £1,204. Wrapping paper was the main item of this classification.

Perfumery.—Total, £32,049: United States, £16,181; United Kingdom, £7,177; France, £2,849; Canada, £2,289; Germany, £1,973; Japan, £1,301.

Photographic Apparatus.—Total, £3,346: United States, £1,902; United Kingdom, £799; Canada, £284; Germany, £230; Belgium, £115.

Plate and Plated Ware.—Total, £1,696: United Kingdom, £1,495; United States, £99; Canada, £93. This category includes nickel-plated, gilt, and electro-plated wares.

Roofing of Felt.—Total, £654: United States, £642; Canada, £12.

Rosin.—Total, 1,001,393 pounds (£4,587): United States, 998,291 pounds (£4,561).

Saddlery and Harness.—Total, £3,939: United Kingdom, £3,104; United States, £805.

Silk and Artificial Silk Manufactures (a) Pure Silk Broadstuffs.—Total, 142,311 yards (£5,893): Japan, 87,120 yards (£2,614); United Kingdom, 26,763 yards (£1,209); United States, 15,555 yards (£1,260); China, 9,937 yards (£575); France, 1,442 yards (£97); Hongkong, 1,421 yards (£111).

(b) *Artificial Silk Broadstuffs.*—Total, 3,035,786 yards (£89,969): United Kingdom, 1,474,735 yards (£40,644); Japan, 565,272 yards (£15,696); France, 302,889 yards (£10,383); Italy, 261,515 yards (£9,979); China, 260,486 yards (£5,722); United States, 152,996 yards (£6,031); Germany, 8,965 yards (£569); Switzerland, 4,664 yards (£521); Canada, 3,125 yards (£288).

In 1934 total imports of pure silk and artificial silk broadstuffs (not separately classified) were 3,155,716 yards (£87,104).

(c) *Silk and Artificial Silk Hosiery.*—Total, 463,855 pairs (£17,611): United Kingdom, 280,106 pairs (£7,729); Canada, 134,858 pairs (£8,961); Hongkong, 47,029 pairs (£768). Total imports in 1934 were 884,585 pairs (£30,909)—an abnormally large quantity.

(d) *Other Manufactures of Silk.*—Total, £3,866: United Kingdom, £1,500; Japan, £1,017; Switzerland, £401; Germany, £347; Canada, £228. Total imports in 1934 were £5,117.

Soap (a) Fancy.—Total, 344,980 pounds (£12,889): United Kingdom, 172,739 pounds (£6,706); United States, 86,899 pounds (£3,359); Canada, 60,105 pounds (£2,326); Japan, 15,200 pounds (£243); Denmark, 8,323 pounds (£191).

(b) *Common Laundry.*—Total, 3,911,014 pounds (£43,034): United Kingdom, 3,800,574 pounds (£41,817). The 1934 imports totalled 4,928,022 pounds (£55,100). Laundry soap is extensively manufactured in Jamaica.

(c) *Polishing.*—Total, 66,659 pounds (£1,080): United States, 32,014 pounds (£407); United Kingdom, 30,535 pounds (£624); Canada, 4,110 pounds (£49).

(d) *Soap Flakes.*—Total, 31,753 pounds (£714): Canada, 21,600 pounds (£339); United Kingdom, 10,096 pounds (£373).

(e) *Soft Soap.*—Total, 22,400 pounds (£187): entirely from the United Kingdom.

(f) *Soap Powder.*—Total, 71,326 pounds (£862): United States, 47,555 pounds (£518); United Kingdom, 18,021 pounds (£302); Canada, 5,750 pounds (£42).

Spirits, Non-potable.—Total imports under this head, which comprised denatured methylated and wood alcohol, and bay rum, were 6,764 gallons (£1,194).

Stationery, Other than Writing Paper.—Total, £33,070: United Kingdom, £23,966; United States, £6,197; Canada, £1,386; Japan, £762.

Toys and Games.—Total, £12,192: United Kingdom, £4,835; Germany, £2,276; Japan, £2,054; United States, £1,776; India, £559; Canada, £389.

Watches.—Total, 9,524 in number (£1,423): Switzerland, 5,548 (£813); Germany, 2,519 (£299); United Kingdom, 448 (£184).

Wooden Furniture.—Total, £12,655: Canada, £4,759; United States, £2,690; United Kingdom, £2,160; Poland, £1,742.

Wooden Hoops, Shoos, Staves, and Headings, for putting up Jamaican Produce (a) For Biscuits.—Total, 2,952 packages (£1,581): United States, 2,237 packages (£1,406); Canada, 715 packages (£175). Total imports in 1934 were 2,796 packages (£2,006).

(b) *For Citrus Fruit.*—Total, 84,338 packages (£11,497): Canada, 57,466 packages (£7,919); United States, 26,872 packages (£3,578). The 1934 imports totalled 77,016 packages (£10,746).

(c) *For Honey.*—Total, 1,575 packages (£1,557): Germany, 706 packages (£881); Canada, 604 packages (£310); United States, 265 packages (£366). The 1934 imports were 1,195 packages (£1,572).

(d) *For Logwood Extract.*—Total, 5,300 packages (£2,858): United Kingdom, 3,812 packages (£1,907); Canada, 1,148 packages (£441); United States, 340 packages (£510).

(e) *For Matches*.—Total, 1,042 packages (£761): entirely from Canada.

(f) *For Rum—i.e. Puncheons and Cases*.—Total, 12,333 packages (£15,165): United States, 5,212 packages (£13,583); Canada, 6,849 packages (£964); Germany, 164 packages (£433); British Guiana, 108 packages (£185).

(g) *For Sauce*.—Total, 416 packages (£96): entirely from Canada.

(h) *For Soap*.—Total, 9,258 packages (£1,813): United States, 8,909 packages (£1,662); Canada, 349 packages (£151).

(i) *For Vegetables*.—Total, 1,985 packages (£298): United Kingdom, 1,177 packages (£177); Canada, 575 packages (£85); United States, 233 packages (£36).

(j) *For Unspecified Articles*.—Total, 256 packages (£436): Canada, 231 packages (£421).

Other Kinds of Manufactured Wood and Timber.—Total, £10,158: United States, £2,907; United Kingdom, £2,297; Germany, £1,614; Italy, £714; Japan, £614; Canada, £524; Holland, £354.

Wool Manufactures.—Total, £46,300: United Kingdom, £40,927; Japan, £4,227; Italy, £316; Canada, £270; United States, £202.

Manufactured Articles, Miscellaneous and Unspecified.—Total, £26,233: United Kingdom, £13,393; United States, £7,116; Canada, £2,020; Japan, £1,014; Germany, £825.

CLASS III—ANIMALS AND BIRDS NOT FOR FOOD

Total imports under this category were £5,025, of which the United Kingdom is credited with £3,685, other British countries £23, and foreign countries £1,317. The most considerable item was horses, of which imports totalled 21 in number (£3,670); the United Kingdom shipped 19 (£3,166).

CLASS V—BULLION, SPECIE, AND PARCELS POST

Imports under this category totalled £155,821, of which £155,092 represented parcels post, the small remainder consisting of bullion and specie of silver and nickel. Imports by parcels post totalled £155,435 in 1934. Of the 1935 imports, the records of the Jamaica Post Office show that the United Kingdom supplied 46,448 parcels of declared value of £105,206; the United States and the Panama Canal Zone, 41,286 (£37,405); Canada, 5,606 (£11,923); and other countries, 970 (£558). The total number of parcels imported during 1935 was 94,310 as compared with 97,521 in 1934. Canada's share of this trade has increased during the past few years, and ought to expand still further. Boots and shoes, various articles of clothing, small hardware, and many other articles are brought into Jamaica through the mails.

GOVERNMENT IMPORTS

In 1935, as in former years, the Jamaican Government purchased many kinds of goods for the use of its various departments. These purchases are included in the commodity figures given above. Government imports in 1935 totalled £218,737 in c.i.f. value, of which the United Kingdom is credited with £176,859, the United States with £27,375, Canada with £7,466, and other countries with £7,037. The total in 1934 was £279,543; in 1933, £185,268; in 1932, £186,497; and in 1931, £283,194.

Imports from Canada in those years were respectively £4,974, £2,746, £5,018, and £18,227. Most of this business is placed through the Crown Agents for the Colonies in London. As the Jamaican Government has lately decided to spend £2,000,000 on various public works over a period of years, its purchases no doubt will increase. Building materials will be considerable items.

BIRCH VENEER IN THE LONDON MARKET

H. L. BROWN, ASSISTANT TRADE COMMISSIONER

London, May 21, 1936.—Any discussion of the present market prospects for Canadian veneers in the London market need consider only birch, the one wood now being cut into veneer in Canada which enters this market in any volume. All others, except perhaps bird's-eye maple, are sold from Canada in such small quantities as to attract little attention or are exported only in the form of plywood.

IMPORTATIONS

Statistics of importations in recent years will be found to serve relatively little purpose so far as Canadian exporters are concerned because, taken as a whole, they cover woods not grown or not cut into veneers in Canada. Never-

theless such data may be useful and is summarized as follows: quantities are given in "loads" of 50 cubic feet each and values are in pounds sterling.

Imports of Veneers (and Panel Wood)

	1930		1933		1934	
	Loads	£	Loads	£	Loads	£
Total	5,294	331,325	8,716	454,687	12,391	741,053
Australia	2	145	78	4,229	184	13,936
Canada	55	2,096	663	7,870	1,152	17,138
Poland	99	3,939	493	14,492	486	14,372
Germany	1,069	49,497	2,032	76,098	2,148	84,077
France	1,420	151,583	1,951	168,383	2,824	298,468
Italy	106	9,466	728	63,328	865	82,493
Austria	1	63	74	8,616	444	28,830
Yugoslavia	160	13,462	562	35,197	1,286	85,405
United States	2,165	95,522	1,621	55,027	2,281	80,928

USES OF BIRCH VENEER

PLYWOOD

Birch veneer is imported to a very small extent for the manufacture of plywood, but plywood can be purchased so cheaply from Northern Europe that its manufacture in England is not commercially feasible except for special purposes and except for the application of decorative veneer to imported plywood, a not uncommon practice in England.

AIRCRAFT

Birch veneer used in the construction of aircraft is in a class by itself. It must be of the very highest quality wood and most carefully cut and graded. No imperfections of any kind are permitted; inspections are very rigid and include a light test. Even the core-stock must be of high standard. The following schedule is a representative specification:—

Aircraft Quality Birch Veneer. No Defects admitted—All AA

Thickness—0·014", 0·017", 0·021", 0·025", 0·028", 0·035", 0·042", 0·050", 0·056", 0·059", 0·070".

Faces—62" long by 50" wide in one piece.

Backs—62" long and average width of 18" or more with minimum width of 12".

Cores—62" and 50" long by average width of 10" or more and minimum width of 7".

(Grown to run with first stated dimension. A few small, live pin knots are admitted in the cores. All thicknesses specified are thicknesses required after drying to 10-12 per cent moisture content.)

The veneers are made into three-ply under high pressure and heat with a special waterproof cement. The resultant plywood is still only as thick as light-weight cardboard and is often reinforced by stitching. Estimates of the average quantity required for each aeroplane indicate approximately 3,000 square feet of three-ply, or not more than 10,000 square feet of veneer. In addition to the thin veneers, there are also demands for somewhat thicker material, about 0·083 and even heavier, which is used in smaller sizes but still of a very high standard.

BASKETS

Birch veneer of ordinary grade finds use in the manufacture of baskets and other similar containers. The lower grades are generally used for the containers proper, and only for the handles or hoops is the demand for good quality. However, a large part of the supplies for this trade are derived from the waste or trim of a number of other industries such as the aspen from the making of match boxes. Specifications vary for each order.

SPECIAL ORDERS

A small and irregular market exists in what may be termed special orders. The total is not substantial, but individual orders may be of fair proportions. The dimensions and grade are usually to order. For example, one large manufacturer of a special implement imports specific sizes of veneer for the production of covers for his machines; these supplies are coming forward through well-established channels. Generally speaking, the special orders require prime stock; the lower grades are not desired and it is often difficult to sell ordinary core stock.

The following specifications are given as a specimen of what is required for ordinary commercial grades which may be intended for some special plywood or for some other specific purpose:

Thicknesses— $\frac{1}{8}$ ", $\frac{1}{12}$ ", $\frac{1}{16}$ ", $\frac{1}{20}$ ", $\frac{1}{24}$ ".

Grades—A, free from defects; B, occasional small defects; BB, defects such as live knots and small dead knots tolerated, but no doat.

Lengths—38", 44", 50", 56", 62", 74", 86", 98" in equal proportions measured by total width.

Widths—Grade A, average 20", minimum 14"; grade B, average 16", minimum 10"; grade BB, average 12", minimum 8".

(All thicknesses specified are thicknesses after drying to 10-12 per cent moisture content.)

PACKING

In general the requirements are that the veneer should be packed with one size and grade to each crate; the contents should be clearly marked on each crate. The packing should, of course, be sufficiently strong to prevent damage in transit. In the case of thin veneers waterproof paper or some other protective element should be employed to prevent the ends drying en route.

PROSPECTS FOR CANADIAN VENEERS

It cannot be said that the market holds any attractive prospects for most Canadian producers. Sales of birch veneer are being made and will continue to be made under prevailing conditions but, in view of the present limitations of the market and of the fact that special sizes as well as regular sizes are being cut in England from imported logs, it is unwise to prophesy any great expansion in the sales of the near future. The outlet for aircraft veneer, in view of the current expansion of aircraft production, may be of fair interest to those mills which can cut to the exacting demands. The sale to basket manufacturers, although of no great value, does offer one limited means of disposing of what might otherwise be waste.

But all such business as is available must be keenly competed for by active representatives who know their product and its capabilities and who are in a position to provide not only data on its worth but also to adjust prices where necessary. In short, the market cannot be said to offer inducement to any but those few exporters whose main business is found in some other field, who can cater to special needs and who can visit the United Kingdom at regular intervals.

RAYON PRODUCTION IN THE UNITED KINGDOM

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Liverpool, June 5, 1936.—The British rayon industry had its real beginning in 1898 when a factory was erected near Coventry. Before production was reached, however, this factory was obliged to close owing to financial difficulties directly attributable to the high price of industrial alcohol required in the colodion process, which was being used at that time. Then followed several years of research, both in England and on the Continent, in an endeavour to discover a cheaper method of producing rayon yarn than by this process. Two English

scientists finally achieved success with what is known as the "viscose" process. The firm of Courtaulds became interested, and in 1904 they erected a factory, also at Coventry, for the production of rayon yarn on a commercial scale.

Even after a more or less satisfactory yarn was produced, Courtaulds experienced great difficulty in persuading any textile manufacturer to try it out. At one time the whole project was in danger of being dropped altogether. A beginning was made, however, when the interest of a Leicester firm of hosiery machinery builders was aroused. This firm adapted their machines to the manufacture of stockings from rayon, and in a short time they were installed in more than one factory.

From then on the production of rayon yarn increased steadily until the war, during which period it slackened, although research work was continued. The period after the war was one of great expansion, marked particularly by the entry into the field of many firms immediately after the imposition of an import duty on rayon in 1925. Most of these late-comers ceased operations during the depression years.

The industry was one of the first to show signs of recovery after 1931. By means of economies in production costs, and with the growing competition between manufacturers, the price of rayon yarn was reduced to a point where its use increased greatly. Continued improvement in machinery and methods of manufacture has been the principal factor in realizing the objective of the manufacturers to produce a yarn that can be used as a substitute for cotton, wool, and silk, and at a cheaper price.

Rayon yarn is produced in England by the three well-known processes—viscose, acetate, and cuprammonium—the first-named being the most widely used.

The industry to-day is very efficient. In 1935 the output in Great Britain (123,770,000 pounds) was more than the entire world production of silk. This output compares with 53,000,000 pounds in 1930 and 28,000,000 in 1925. During 1934 the production of rayon yarn reached 93,100,000 pounds. In comparison, wool production in Great Britain increased from 453,000,000 pounds in 1924 to 635,000,000 in 1935, and silk deliveries for home consumption from 2,000,000 pounds to 5,000,000 pounds. During the same period deliveries of cotton to British mills decreased from 1,416,000,000 pounds to 1,308,000,000.

Statistics just published show that during the first four months of 1936 the aggregate rayon production was 46,910,000 pounds. For the corresponding months of 1935 the total was 40,250,000 pounds.

Though the United Kingdom ranks fifth as a producer of rayon yarn, it is worthy of note that "viscose," the one really British of the three commercial processes, accounts for over 80 per cent of the world output.

SOUTH AFRICAN MARKET FOR BOOT AND SHOE FINDINGS AND LEATHER

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, May 6, 1936.—South Africa has an extensive and flourishing boot and shoe industry, producing annually between 4,000,000 and 5,000,000 pairs. Port Elizabeth is the centre of the trade, but large factories are also located in Cape Town, Johannesburg, and Durban. In supplying the South African market, the industry produces a wide range of footwear resulting in a worthwhile outlet for overseas manufacturers of requirements for the domestic industry.

More and more the retail stores are stocking footwear of South African make, which is steadily improving in style and quality. Consequently, while to-day opportunities exist for the marketing of boot and shoe findings and

leather, future requirements will be still greater, thus making it worth while for Canadian exporters to give this market serious consideration at the present time, so that they may be in a position to take advantage of the increased business offering as production increases.

WOODEN HEELS

Wooden heels are not manufactured in South Africa. The annual requirements are approximately 4,000,000 pairs. Competition is keen, especially from the Continent. They are usually boxed in dozen pairs, and packed in cases of 50 dozen pairs. All types are in demand, with plain Louis blocks standard heel $4\frac{1}{2}/6$ cm. and plain Cuban wood blocks standard heel $3/4\frac{1}{2}$ cm. predominating. At the time of writing the former is being quoted at 1s. 11d. per dozen, and the latter at 1s. $4\frac{1}{2}$ d. per dozen c.i.f.

Shoe eyelets and hooks enter duty free.

BOARDS

Insole Board.—Great Britain is the principal supplier of canvas-back insole board. This product is required in 18-gauge, and while the demand is decreasing, there is still some call for it. Ordinary insole board is required in 16-gauge, trimmed on both sides.

Fibre Board.—The sale of fibre board is comparatively small, though some orders are placed annually in lots of one ton. The reason for the limited demand is due to the tendency at present of the manufacturers to import stiffeners and counters already made up or cut to their requirements.

Heeling Board.—Heeling board is required at a measurement of 24 by 38 inches, of 5 mm. caliper, trimmed on both sides.

Leather Board.—The imports of leather board are principally from Austria. In 1932, the imports amounted to £4,898; in 1933 to £7,984; and in 1934 to £6,697. Of these totals Austria was credited with £1,540, £3,073, and £2,531 in the respective years, followed by Sweden with £819, £1,657, and £1,440, and the United Kingdom with £461, £990, and £1,141. The United States was credited with £249 in 1932, £584 in 1933, and £34 in 1934. In 1933 Canada was credited with £54.

STIFFENERS

The imports of stiffeners are large, as many local manufacturers prefer to import them made up rather than import the board and do their own cutting. Competition is, however, very keen in this line, and particularly close prices would have to be quoted to obtain a share of the business.

SHOE TACKS

The consumption of shoe tacks by the trade is fairly extensive, but sales are confined largely to specified sources of supply, due to restrictions placed on the users of rented tacking machines. There are, however, some manufacturers who own their tacking machines outright and are consequently free to buy their tack requirements in the open market, and the shoe repair trades require fair quantities.

RUBBER SOLES, HEELS AND TIPS

South Africa does not offer a large field for rubber soles, heels and tips. Imports for 1932 amounted to £11,106, in 1933 to £12,341, and 1934 to £11,234. The United Kingdom is the chief source of supply, followed by the United States and Canada. Competition is very keen for the business offering and local manufacturers, protected by a 30 per cent ad valorem tariff, are able to obtain the bulk of the trade. In composition rubber soles, however, there is an opportunity to secure a limited amount of business.

OTHER ITEMS

Stains, inks, wax, threads of different character and strength according to the use, varying kinds of laces—leather, silk, mohair—and buckles are in demand. Buckles should, however, not be too large.

SLIPPER FELTS

Felt suitable for making into slippers, and also for lining, is in demand. Canadian quotations to date have not been competitive in price. Any manufacturer who would be interested in entering this market should forward samples and colour cards to this office for submission to the trade. The percentage of cotton and wool content of each of the samples should be stated, together with c.i.f. prices. It should be pointed out that competition is keen. This is indicated by a quotation recently made on 24-ounce upper felt of 60 inches wide at 4s. per yard c.i.f., and lining felt 12 ounces, 72 inches wide, at 2s. 10d. c.i.f. There is volume business available, however. Quotations should also indicate the minimum quantities of any one colour necessary to qualify at the prices stated and the time required to fill any order sent in. Czechoslovakia and the United Kingdom are the chief sources of supply.

SOLE LEATHER

This market does not offer possibilities for the sale of Canadian sole leather. Local production takes care of practically the entire demand. Canadian sole leather is frequently unsuitable for local conditions. Three-quarters of the limited imports come from the United Kingdom.

LINING LEATHERS

The principal demand for lining leather is in white and grey of a comparatively cheap grade. There is a limited demand for other colours of a cheap grade, and some call for linings of a medium quality. Glazed finish is desired, and of medium weight. It must not be too light. Owing to climatic conditions, heavy weights are not in demand.

There is no duty on white sheep linings or white lamb linings, or on leather made from split hides, the free-on-board price of which is not less than 5½d. per square foot. On other lining leathers the duty is 20 per cent. ad valorem.

CALF LEATHER

Calf leather is greatly in demand at the present time. In 1934 imports amounted to £100,235—a value greatly in excess of the imports of the previous two years, when they amounted to only £46,821 in 1933 and £15,193 in 1932. Germany supplies 50 per cent of the imports, followed by Holland with 25 per cent. Canada in 1934 entered the market, supplying to the value of £1,958. Local production of calf leather is not of good quality, consequently the imports are heavy when the demand increases.

The duty is free on black calf and calf other than black, being whole skins, and the measurement not exceeding 192 square feet per dozen skins, and the free-on-board price is not less than 1s. 2d. per square foot, otherwise it is 20 per cent ad valorem.

GLACE KID

Practically no glace kid is produced in South Africa. The United Kingdom, Germany, the United States, and France, in the order named, are the principal suppliers. The sizes in demand vary, and are principally those of 3-4 and 5-6 feet, both in black and tan.

Glace kid entering South Africa on which the free-on-board price is not less than 9d. per square foot is duty free, otherwise the duty is 20 per cent ad valorem. Consequently the demand is for glace kid of as good a quality as possible, at a price around 9d. per square foot f.o.b.

PATENT LEATHER

One of the principal import demands in South Africa is for patent and enamelled leather. The United States has been the principal supplier, followed by the United Kingdom and Germany, with smaller quantities coming from Canada. There is no duty on patent leather.

DISTRIBUTION

The suggested medium for effecting sales in South Africa is through a manufacturers' representative. Commissions will range from 5 to 10 per cent, according to the product.

All prices quoted should be either c.i.f. South African ports or f.o.b. steamer Canadian port, preferably the former. An f.o.b. factory price is useless. The price quoted should also include a stated amount for commission.

Samples are essential and should be sent by parcel post. In the case of leather small samples are not acceptable, at least in the initial stages. The trade insist on seeing a complete side. A manufacturer desiring to enter this market must be prepared to ship out a small consignment to a recommended agent. After serving the purpose of illustrating quality and finish to the trade, the agent then disposes of the sides to the best advantage and remits the proceeds to his principals.

Practically all business is done cash against documents. In some cases, however, where the business is placed through a confirming house in London or New York, an extra cash discount is required.

As regards "cables"—this applies principally to leather—a definite understanding should be reached between the manufacturer and the representative at the beginning of negotiations as to payment, otherwise difficulties are bound to arise later.

ECONOMIC AND TRADE CONDITIONS IN CEYLON IN 1935

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Calcutta, May 1, 1936.—The total population of Ceylon is approximately 4,500,000, of which Europeans number about 9,000; Burghers—that is descendants mixed and otherwise of the early Dutch—and Eurasians 30,000; Indian races and others compose the balance.

Beyond a few minor and primary industries the country is purely agricultural, devoted mainly to the cultivation of tea, coconuts, and rubber. The first item accounts for the large favourable balance of trade which Ceylon enjoys, particularly in so far as Canada is concerned. On the other hand, the limits of the market for foodstuffs and manufactured products of all classes produced in Canada will be readily realized from the figures of population. Ceylon is also a market which has been and is still supplied principally by the United Kingdom, India, and Australia. So far as the native population is concerned, their wants are few and simple and are met principally by imports from India, Burma, the Malaya States, China, and Japan.

The trade returns for the calendar year which are now available show that the total trade remained approximately the same as in 1934, and shipping figures,

which are an important index to the prosperity of the island, record but little increase. Restrictions which had been placed on the export of tea and rubber in 1934, and the reduction of the purchasing power of a large section of the population due to crop failure and the unprecedented inroads of the malarial epidemic in the early part of the year, adversely affected conditions.

External conditions also tended to check any development towards greater trade, particularly with those countries which took steps to regulate and restrict their imports by means of quotas and exchange regulations. Added to these were the hostilities between Italy and Abyssinia and the imposition of sanctions against the former country. Not only did the sanctions affect the trade of the colony, but also the apprehension for the safety of shipping and of goods in transit to and from Europe via the Red Sea and the Mediterranean. These factors, together with the possibility of a general conflagration in Europe, tended to restrict the trade of the Island. Ceylon is therefore fortunate in having been able to maintain the recovery accomplished in 1934.

EFFECT OF TEA AND RUBBER RESTRICTIONS

The restrictions on tea and rubber naturally tended to reduce exports of these products, but in the case of tea the reduction in the quantity exported was not more than 3 per cent below that in 1934, while slightly better prices offered resulted in an actual increase in the value of exports by one-half per cent. The export of rubber, which in 1934 had increased by about 25 per cent over the 1933 figures, due no doubt to restrictions which were about to be imposed, fell in 1935 to about two-thirds of the volume and value of those of 1934. Prices for coconut produce as a whole showed an improvement; the volume exported was 27 per cent less but the value was 25 per cent greater than in 1934. Desiccated coconut and fibre both showed increases, but decreases were recorded in coconut oil, copra, and fresh coconuts.

BALANCE OF TRADE

The visible balance of trade of Ceylon was less favourable than in 1934 by approximately Rs.26,000,000 as against Rs.46,000,000. A drop of Rs.18,000,000 in exports of rubber accounted for the falling off, together with an increased importation of foodstuffs to the value of Rs. 11,000,000. The increased imports of foodstuffs were practically all due to the failure of the local crops because of drought, more than 50,000 tons of rice—an increase of 11 per cent—and more than double the quantity of paddy, being imported as compared with 1934.

TOTAL TRADE

The grand total value of Ceylon trade for 1935 amounted to Rs.480,614,277 as against Rs.480,898,737 in 1934. These figures include the value of coal and water supplied to steamers calling at Ceylon. They are included in the value of trade as all coal must be imported while water is considered as a local product exported. The total imports of merchandise were valued at Rs.227,501,000 in the year under review as compared with Rs.216,996,000 in the previous year, while exports were Rs.230,041,000 in 1935 as against Rs.241,193,000 in 1934: re-exports Rs.23,072,000 in 1935 as against Rs.22,617,000 in 1934, being an excess of exports over imports of Rs.25,612,000 and Rs.46,814,000 in 1935 and 1934 respectively.

DIRECTION OF TRADE

The direction of trade was as formerly strongly in favour of the United Kingdom. The following table shows clearly the trend:—

	Imports		Exports		Excess of Exports (+) Excess of Imports (-)	
	1934	1935	1934	1935	1934	1935
	Figures in Thousands of Rupees					
United Kingdom.. . . .	39,900	46,800	125,100	119,800	+85,200	+73,000
Australia	5,200	5,300	9,000	10,200	+ 3,800	+ 4,900
British India.. . . .	43,700	44,300	10,600	13,900	-33,100	-30,400
Burma	31,700	39,800	500	700	-31,200	-39,100
Canada.. . . .	1,000	800	6,700	7,600	+ 5,700	+ 6,800
New Zealand .. . . .	.....	.....	5,000	6,500	+ 5,000	+ 6,500
Straits Settlements	2,600	2,100	700	800	+ 1,900	+ 1,300
Union of South Africa	2,600	3,800	5,700	7,600	+ 3,100	+ 3,800
Total British Empire. . . .	132,600	149,900	166,400	170,700	+33,800	+20,800
Belgium.. . . .	1,800	1,900	3,600	3,100	+ 1,800	+ 1,200
Egypt	800	900	3,400	2,700	+ 2,600	+ 1,800
France	1,800	1,600	5,000	3,800	+ 3,200	+ 2,200
Germany	3,500	4,600	6,300	6,200	+ 2,800	+ 1,600
Holland	1,000	1,100	4,400	1,800	+ 3,400	+ 700
Italy	1,000	500	5,600	3,700	+ 4,600	+ 3,200
Japan	18,800	12,200	1,500	1,800	-17,300	-10,400
Persia	14,000	12,700	400	400	-13,600	-12,300
Siam	11,300	12,500	.....	.....	-11,300	-12,500
United States.. . . .	5,000	4,800	34,300	26,900	+29,300	+22,100
Other foreign countries	25,400	24,800	14,500	14,500	-10,900	-35,100
Total foreign countries	84,400	77,600	79,000	64,900	- 5,400	-12,700
Total excluding ship's stores	217,000	227,500	245,400	235,600	+28,400	+ 8,100

TRADE WITH EMPIRE COUNTRIES

From the British Empire as a whole the value of imports was Rs.149,900,000, or Rs.17,000,000 more than in 1934. Exports thereto were just a little more than Rs.4,000,000 in excess of 1934, amounting to Rs.170,700,000. Of the excess in imports Rs.8,000,000 is attributable to increased imports of rice, because of crop failures, and about Rs.5,500,000 to increased purchases of cotton piece-goods. Exports to Empire countries would no doubt have been greater but for the restrictions on tea and rubber. The excess of exports over imports was less by Rs.13,000,000 than in 1934.

Imports from the United Kingdom showed an increase in value of Rs.7,000,000 over 1934, while exports increased by Rs.5,300,000. Of Empire countries other than the United Kingdom, the value of imports from Australia remained practically unchanged, but exports improved by Rs.1,000,000. British India sold slightly in greater volume and bought an additional Rs.3,000,000 worth of copra. Burma sold Ceylon an additional Rs.8,000,000 worth of rice, but as usual purchased nothing. Canada and New Zealand purchased respectively an additional Rs.1,000,000 and Rs.1,500,000. Imports from the Union of South Africa increased by nearly Rs.1,000,000, and exports by nearly Rs.2,000,000. The balance of trade in favour of Ceylon showed increases in the case of Australia, Canada, New Zealand, and the Union of South Africa.

TRADE WITH FOREIGN COUNTRIES

Of foreign countries trading with Ceylon, Persia (fuel oil Rs.13,594,000) and Siam (rice and paddy Rs.11,853,000, timber Rs.620,000) displaced Japan from the top of the list.

Japanese imports in 1935 amounted to Rs.12,000,000 against Rs.19,000,000 in 1934, the loss being largely accounted for by the fall in imports of textiles regulated under the quotas order in council. The United States, with a slight decline from her Rs.5,000,000 in imports in 1934, just obtained fourth place as against Germany, whose imports increased from Rs.3,500,000 to over Rs.4,500,000. On the other hand, the United States purchased to the value of Rs.27,000,000

compared with Rs 34,000,000 in 1934, Germany coming second with Rs.6,000,000, a small decrease from her 1934 purchases. Ceylon's next best customers were France and Italy.

EFFECT OF PREFERENTIAL RATES

The above figures seem to show that the preferential rates accorded Empire countries have resulted in improved trade within the Empire. Though the gain on imports amounts only to 5 per cent and on exports is inconsiderable, yet when it is considered that tea and rubber, the two principal commodities produced by the island and with a world-wide sale, are further subjected to restrictions, while on certain vital imports such as rice—which forms about one-fourth of the island's total imports—no preference exists, the value of these preferential duties in promoting trade in the Empire will be the better appreciated. The feature of 1935 was the recovery of trade between Ceylon and British possessions at the expense of foreign trade. In 1934 the respective shares of the United Kingdom, British possessions and foreign countries were recorded as being in the proportion of 5: 4: 5; but in 1935 the proportions were approximately 12: 11: 10.

NOTES ON TRADE WITH CERTAIN COUNTRIES

UNITED KINGDOM

Imports, Rs.47,000,000; exports, Rs.119,000,000. The increase in total trade was Rs.1,500,000. Among the imports there were increases in motor cars (25 per cent), cotton piece-goods bleached (100), cotton piece-goods printed (72), cotton piece-goods dyed (150), quinine and quinine preparations (500 per cent, due to the malarial epidemic), iron and steel (25), milk goods (66 per cent, due to the malarial epidemic), motor lorries (105 per cent), cutlery (31 per cent). Decreases most noticeable were tires for motor cars (43 per cent). On the export side, exports of rubber fell owing to the restrictions, those of coconut oil improved by 20 per cent, and of desiccated coconut by over 80 per cent, but cacao fell off by 60 per cent.

AUSTRALIA

Imports, Rs.5,200,000; exports, Rs.10,200,000. Nearly half the import total was accounted for by wheat flour, which showed a slight increase in value. Canadian exporters of wheat flour have tried to develop the Ceylon market, but with a difference of £3 sterling in price per ton there is little hope of Canadian flour millers entering this market. Other commodities of which the value of imports increased were frozen butter (50 per cent), apples and grapes (40 per cent), milk foods (46 per cent), beef (55 per cent), and mutton (31 per cent). Against these gains there was a decrease of 75 per cent in value of imports of scantlings, while the import of sleepers, which were valued at Rs.700,000 in 1934, practically ceased. Under exports the value of tea taken by Australia increased by 10 per cent and of rubber by 43 per cent. Cacao exports fell by 30 per cent.

CANADA

Imports, Rs.800,000; exports, Rs.7,600,000. Imports fell off by 20 per cent. Imports of motor lorries and motor cars both declined by about 30 per cent. There was, however, a gain of 14 per cent in exports, of which by far the most important feature was the rise in coconut oil from Rs.333,000 in 1934 to Rs.2,126,000 in 1935, a gain of nearly 600 per cent. Rubber exports also increased by 330 per cent, and cacao also gained.

NEW ZEALAND

Imports, Rs.65,000; exports, Rs.6,500,000. There was an appreciable gain in the export trade, amounting to 30 per cent. This was largely accounted for by an increase in tea shipments of 28 per cent.

BELGIUM

Imports, Rs.1,900,000; exports, Rs.3,000,000. There was not much change compared with 1934. A new feature was the importation of Rs.400,000 worth of sulphate of ammonia. Exports declined by 14 per cent, the commodities mainly affected being rubber (—33 per cent), coconut poonac (—17 per cent), copra (—84 per cent). On the other hand, exports of coconut oil (+60 per cent), bristle fibre (+37 per cent), and desiccated coconut (+82 per cent) showed considerable improvement.

GERMANY

Imports, Rs.4,600,000; exports, Rs.6,000,000. Among the larger increases in imports were motor lorries (+120 per cent). The import trade from Germany is distributed over a fairly large field. On the export side Germany took less rubber (—22 per cent), copra (—82 per cent), and tea (—15 per cent); but greater supplies of desiccated coconut (+100 per cent), coconut oil (+70 per cent), coir yarn (+26 per cent), and plumbago (+8 per cent).

ITALY

Imports, Rs.500,000; exports, Rs.3,500,000. Imports declined by nearly 50 per cent and exports by 36 per cent, due largely to the hostilities with Abyssinia.

JAPAN

Imports, Rs.12,000,000 (—35 per cent); exports, Rs.1,750,000 (+20 per cent). The decline in imports was largely due to the fall in imports of quota-regulated goods, principally cotton piece-goods of all kinds. On the other hand, considerable increases were recorded in apparel of all kinds. Imports of silk apparel increased by 50 per cent, wool by 120 per cent, and "other" (which consists for the greater part of cheap cotton garments) by over 400 per cent. Of the imports which declined the most notable were tea chests (—33 per cent, a fall which may be largely due to the tea restriction), manufactures of cotton unspecified (—66 per cent), porcelain and chinaware (—21 per cent), and umbrellas (—44 per cent). There was a considerable increase in the importation of Japanese potatoes (+65 per cent).

UNITED STATES

Imports, Rs.4,900,000; exports, Rs.25,700,000. There was little change in the total value of the imports. Among the most noteworthy gains were motor cars (+67 per cent) and lubricating oil (+65 per cent). On the other hand, asphalt fell off by 56 per cent and tobacco by 8 per cent. Total value of exports fell by 23 per cent, almost the entire decrease being in rubber (—35 per cent). As some slight offset, there were improvements in tea (+11 per cent), plumbago (+40 per cent), and papain (+40 per cent).

POINTS FOR EXPORTERS TO HONGKONG AND SOUTH CHINA

K. F. NOBLE, ACTING TRADE COMMISSIONER

Hongkong, April 21, 1936.—Hongkong, the British Crown Colony lying off the coast of South China, consists of an island situated at the mouth of the Pearl River, 160 miles from Canton, and some 280 square miles of the adjacent mainland.

The population is estimated at about 900,000, of which all but 16,000 are Chinese. Approximately 600,000 of this number are located on the mainland. The rate of increase has been rapid in recent years, since the census of 1921, which recorded a population of 625,000.

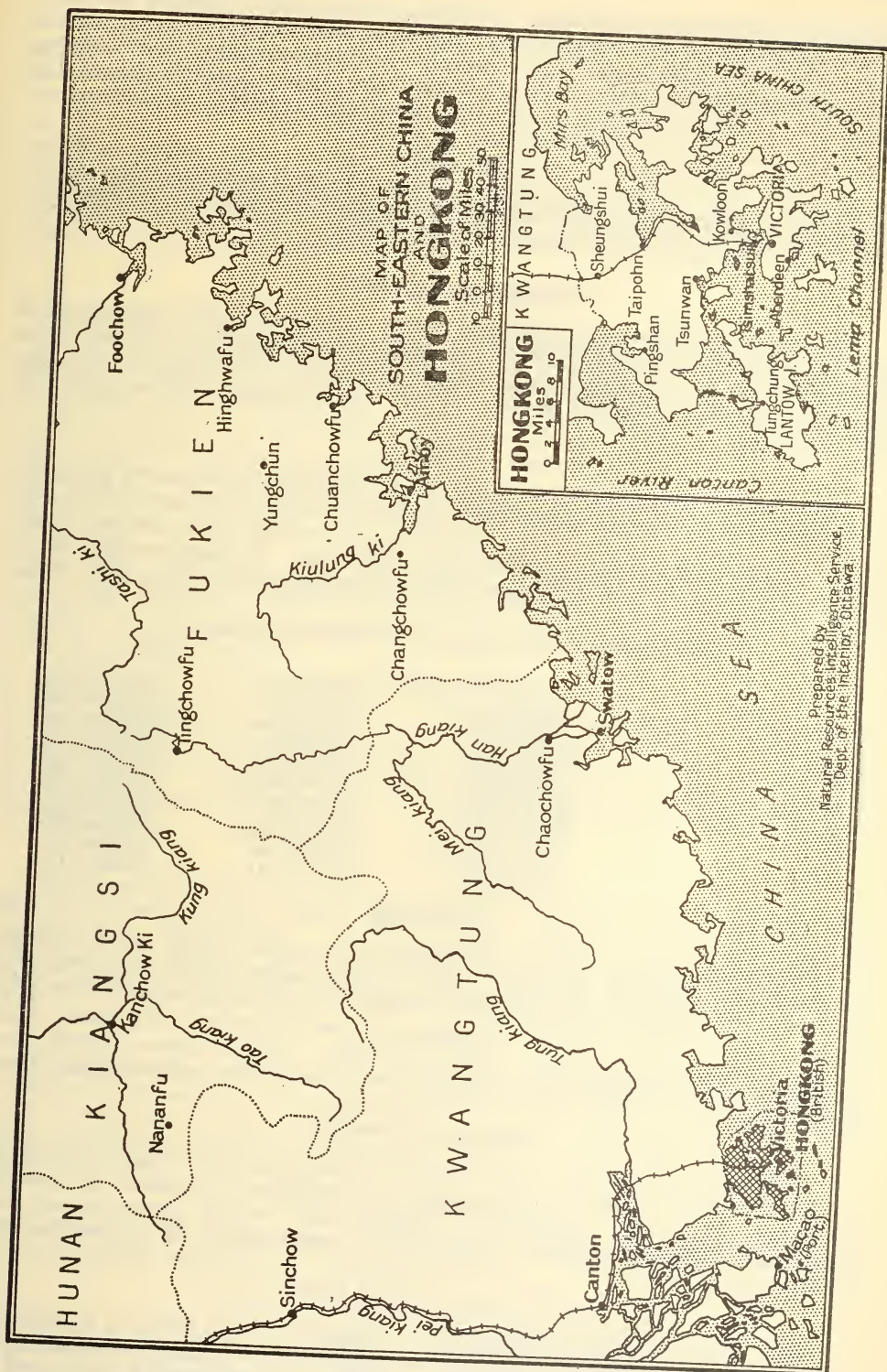
The port of Hongkong is one of the busiest in the world, with direct steamer service to all principal maritime countries. The port is a factor in transshipment originating in or destined for British Malaya, French Indo-China, Siam, Java, and India.

South China, one of the least developed of the major markets of the world, consists of five provinces—Kwantung, Kwangsi, Fukien, Yunnan, and Kweichow, with an estimated area of 430,000 square miles and a population of some 85,000,000. Canton, the capital of the province of Kwantung, is the largest city; Swatow, Amoy, Wuchow, Weichow, and Nanning are distributing centres of lesser importance. The outstanding features of the South China market are its vast population and low purchasing power per capita.

Hongkong and parts of the provinces of Kwantung, Kwangsi, and Yunnan lie within the tropics. Temperatures are not abnormally high, but the excessive humidity during the months from May to October inclusive is oppressive.

INDUSTRY IN SOUTH CHINA

The beginnings of industrialization in South China are very recent. The province of Kwantung has completed a three-year plan of industrialization



Prepared by
Natural Resources Service,
Dept. of the Interior, Ottawa

intended to promote self-sufficiency, which has included the following products: caustic soda, sulphuric acid, vegetable oil, sulphate of ammonia, phosphate, alcohol (from sugar and from Indian corn), chlorine, oil, sugar refining, silk weaving, cotton spinning and weaving, woollen fabrics, paper, cement, and fertilizers. The second plan is being initiated immediately. Monopoly control of several imports, notably sugar, rice, and cement, has been established.

Cottons and woollens of secondary quality are woven in modern factories, and there is a large production of silks. Numerous small establishments supply hand-made wooden products and sundries, but agricultural production is the principal means of support of the mass of the population.

INDUSTRY IN HONGKONG

Hongkong is the major shipbuilding centre in the Far East. The low value of the Hongkong dollar has favoured the large-scale production of rubber shoes, torchlight cases and batteries, cotton knitted goods, and other exports, including preserved gingers of all kinds, biscuits, Chinese canned goods, Chinese medicines, and rattanware.

TRADE

The trade of Hongkong is essentially of an entrepôt nature, and is primarily in products moving between South China and other countries of the world, though to a lesser extent it includes goods originating in or destined for French Indo-China, the Straits Settlements, Java, Siam, and India. A summary table of the import and export trade of the colony for the five years 1931-35 is given herewith:—

Hongkong's Total Imports and Exports, 1931-35

	("000" omitted)		
	Imports	Exports	Total Trade
1931	HK\$737,741 (U.S.\$174,107)	HK\$542,050 (U.S.\$127,924)	HK\$1,279,790 (U.S.\$302,031)
1932	HK\$624,048 (U.S.\$143,531)	HK\$471,860 (U.S.\$108,528)	HK\$1,095,907 (U.S.\$252,059)
1933	HK\$500,939 (U.S.\$144,020)	HK\$403,092 (U.S.\$115,687)	HK\$904,031 (U.S.\$259,707)
1934	HK\$415,919 (U.S.\$158,881)	HK\$325,105 (U.S.\$124,190)	HK\$741,024 (U.S.\$283,071)
1935	HK\$364,990 (U.S.\$173,370)	HK\$271,034 (U.S.\$128,741)	HK\$636,023 (U.S.\$302,111)

CURRENCIES

The standard of currency in Hongkong is the paper dollar, which is worth approximately Canadian 32 cents. The Chinese paper dollar of the Nanking Government is accepted in South China, though in addition provincial bank notes issued in the province of Kwantung are at a nominal parity with those of the Central Government and enjoy similar privileges. Canton paper dollars, however, remain at a varying discount of between 10 and 80 per cent as against those of Hongkong.

DUTIES IN HONGKONG

Hongkong is a free port, with customs duties levied only against imports of wines and spirits, light oils, and tobacco. In addition, a measure of Imperial preference is accorded motor cars of British origin, which are registered free, while those of foreign origin are subject to an assessment of 25 per cent of their landed price.

DUTIES IN SOUTH CHINA

The only documents necessary for shipments to this port are commercial invoices, though on instructions from the importer it may be necessary to supply copies of Chinese consular invoices. The Chinese customs tariff, administered by the Chinese Maritime Customs, provides for duties assessable on either ad

valorem or specific bases, and in some cases both. A single rate is applicable under the several items to the products of all countries. Canadian exporters dealing with this market, or anticipating sales, in practice can ignore these duties by quoting c.i.f. Hongkong, with the importer or purchaser subsequently arranging for payment of Chinese duties. Only on rare occasions are prices to be quoted c.i.f. Canton.

MARKING

Chinese Maritime Customs weights and measures are in the metric system and gross net, and legal weights in this scale together with dimensions of cases should be stencilled on all packages.

REPRESENTATION

The percentage of Canada's trade with Hongkong and South China through direct sales is limited, since peculiarities of the market and the credit risks involved in trading are such that personal supervision and contact are essential. Supervisory service is in practice supplied primarily by European import houses of long standing and sound financial position, though within the last few years there has been a trend towards the smaller native organizations which offer a closer contact with the market and have lower overhead. It is the practice for importers to combine the functions of indent merchants and wholesale distributors trading on their own account.

Canadian exporters appointing representatives in Hongkong and South China should delimitate the territory allotted, since, in general, the practice of appointing "blanket" agents for the whole of China, customarily with agents in Shanghai, is not satisfactory, due to their failure, or in many cases inability, to work the southern market.

There are an adequate number of agency companies of good repute in Hongkong, a directory of which has been compiled and is available to Canadian exporters on application to the Department of Trade and Commerce, Ottawa. Included in this list are reliable British, German, American, Chinese, and other foreign firms in a position to give efficient representation. Financial references are on file, and supplementary information can be obtained by application to any Canadian bank.

SAMPLES

Agents and buyers in Hongkong are in the main trading with Chinese sub-distributors and, possibly due to the language problem, have no confidence in anything but actual samples of products being offered. Catalogues, illustrative pamphlets, and folders are of assistance, but without samples, wherever practicable, a certain scepticism will exist as to the merit of the products.

ROUTING

Most shipments from Canada to Hongkong and South China will naturally be made via Vancouver. In the case of bulky commodities, or any goods which are of non-perishable nature, shipment from Eastern Canada may at times be made by steamers sailing from Montreal, Boston, or New York via Panama or Suez.

COMMERCIAL TRAVELLERS

Commercial travellers may visit Hongkong and South China for business purposes without restriction as to licences, etc.

Sailing Distances in Nautical Miles

Hongkong to Vancouver	6,089	Hongkong to Manila.	640
Hongkong to Yokohama	1,580	Hongkong to Saigon.. . . .	927
Hongkong to Shanghai.. . . .	853	Hongkong to Singapore.. . .	1,440
Hongkong to New York (via Panama).	11,691		

SHIPPING SERVICES

A list of the principal steamship lines operating from Canadian Atlantic and Pacific coasts to Hongkong is given below:—

Vancouver or Victoria to Hongkong

Canadian Pacific Steamships.—Freight and passenger service, sailing every two weeks.
 Blue Funnel Line.—Freight and passenger service, sailing monthly.
 Nippon Yusen Kaisha.—Freight and passenger service, sailing monthly; transshipment at Kobe.
 East Asiatic Line.—Freight only, sailing monthly if sufficient cargo offering.

Montreal to Hongkong

Canadian Far East Line (agents, McLean Kennedy, Ltd., Montreal).—Freight only, sailing monthly.

Halifax to Hongkong via Panama

Silver-Prince Line (agents, Furness Withy & Co.).—Freight only, sailing fortnightly.

Boston or New York to Hongkong via Panama

American Manchurian Line.—Freight only, sailing monthly.
 American Pioneer Line.—Freight only, sailing monthly.
 Bank Line.—Freight only, sailing monthly.
 Barber Line.—Freight and passenger, sailing monthly.
 Blue Funnel Line.—Freight and passenger, sailing monthly.
 Dollar Steamship Line.—Freight and passenger, sailing every one or two weeks.
 Isbrandsten-Moller Co. Inc. (Maersk Line).—Passenger and freight, sailing every three or four weeks.
 M.B.K. Line.—Freight only, irregular sailings; usually transshipment at Kobe.
 O.S.K. Line.—Freight only, sailing every two or three weeks.
 Silver-Prince Line.—Freight only, sailing every two weeks.

Boston and New York to Hongkong via Suez

Bank Line.—Freight and passenger, sailing monthly.

POSTAL INFORMATION

To Hongkong

Letter Postage.—Three cents for the first ounce and 2 cents for each additional ounce.
 Parcel Post.—Twelve cents per pound up to 10 pounds; over 10 and up to 15 pounds, \$1.60.

ECONOMIC CONDITIONS IN BRITISH MALAYA

B. C. BUTLER, ACTING TRADE COMMISSIONER

(Straits dollar values have been converted to Canadian currency at the rate S\$1 equals 58 cents Canadian. One pikul equals 133½ pounds; one ton equals 2,240 pounds.)

Singapore, May 9, 1936.—Business in Malaya was quiet during the first quarter of the year and continues so up to the time of writing. Retail sales at the Chinese New Year season in January were disappointing and import ordering is reduced. The restriction enforced on the output of tin and rubber, Malaya's main exports, are having a steadying effect on business, and the tendency is to pursue a quiet, conservative policy rather than to speculate. The feeling is general that the country is well out of the depression, that present conditions are normal, but that no unusual increase in trade can be expected.

The total trade of Malaya for the first quarter of 1936 amounted to Can.\$154,780,000, a decline of about 3 per cent as compared with the same period of 1935 when the total was \$160,050,000. Imports during the period

were practically unchanged at \$70,660,000 as compared with \$70,538,000 in the first quarter of 1935. Exports declined 6 per cent to \$84,114,000 against \$89,531,000. The decline in exports is accounted for by the reduced price of tin as compared with 1935.

NOTES ON EXPORT PRODUCTS

RUBBER

The price increased in the Singapore market from an average of 11·6 cents per pound in December to 13·34 cents in January, 14·5 cents in February, and 15 cents in March. Gross exports, including transshipment, in the three months totalled 124,089 tons valued at \$37,880,000 against 154,517 tons valued at \$40,041,000 in the first quarter of 1935. Labour troubles in United States rubber factories during the early part of the quarter did not have the effect upon the industry here that was expected.

While United States consumption was somewhat reduced, this was counter-balanced by a steady demand from the United Kingdom and the price tended upward. In April it exceeded 7½d. on the London market for the first time since September, 1934. The market experienced a slight temporary check, followed immediately by recovery, when it was announced at the end of April that the production quota for the second half of 1936 will be raised from 60 to 65 per cent of the basic tonnage allotments.

TIN

The price of tin on the Singapore market averaged \$59.33 per pikul in January, \$59 in February, and \$60.03 in March against the yearly average for 1935 of \$64.30. Exports in the three months totalled 19,393 tons valued at \$19,600,000 against 17,155 tons valued at \$19,480,000 in the first quarter of 1935. It is interesting to observe that of the total exported in the first quarter of 1935, only 7,176 tons was domestically-produced tin, compared with 16,082 tons in the corresponding period of 1936. Despite this large increase in the exports of domestically-produced tin, there were only 75 of the 119 dredges in operation in Malaya at the end of January.

The more than doubling of the permissible export percentage (40 per cent to 90 per cent) during 1935 caused world stocks at the beginning of the present year to be rather larger than expected in view of the international difficulties and the consequent rearmament programs. However, stocks became low during February and the price of cash tin rose. Nevertheless, the International Tin Committee has reduced the exportable percentage to 85 of the standard quotas for the second half of 1936. The present restriction scheme expires in December this year, and there appears to be no question that it will be renewed, but there is considerable speculation in Malaya as to the form the new restriction scheme will take.

OTHER PRODUCTS

The prices of other export commodities on the Singapore market showed a general firm or upward tendency and the averages for the months of January, February, and March were 67·1, 70, and 71·2, respectively, against the yearly average of 64 during 1935 (base year 1929).

The price of rice, No. 2 Siam quality, rose steadily from \$35 to \$38 per ton as the result of the trouble in Abyssinia and the resulting strained international situation.

With the approach of the major crop season, the price of canned pineapple fell from \$2.03 to \$1.90 per case.

Vegetable oils were fairly steady. The price of coconut oil during the quarter was constant at \$6.38 per pikul; palm oil averaged about \$83 per ton; and sundried copra tended to decline, closing with an average of \$2.94 per pikul for the month of March.

Pepper continued to fall in price. The average for black pepper in the month of March was \$5.16 per pikul, and for white \$9.53. Since the crash of the pepper pool in February, 1935, the commodity has not shown any signs of recovery, and it can hardly be expected, in view of the extensive production that was stimulated during the period when prices were subject to manipulation.

GENERAL NOTES

Government finances are sound and in most instances substantial surpluses are being built up. In the Federated Malay States the surplus is over \$35,000,000, and there is some agitation in business circles for reduction in the import duties, especially on foodstuffs, now that the necessity for revenue has been removed.

A branch of the Bank of China was opened in Singapore during February, and it has been suggested that a permanent Chinese Government trade museum be established here. These developments point to the desire of Chinese exporters to increase their share of the Malayan market, and Malayan producers are watching with interest any progress toward industrialization in China which might lead to a new and even greater outlet for their main export products.

A weekly air mail service from Penang to Hongkong was started late in March. This service will connect with the Imperial Airways London-Singapore-Brisbane routes.

New legislation, with proposed effect on July 1 next, was introduced in the Straits Settlements with respect to a new set of taxes upon motor vehicles using heavy oil, Diesel oil, or producer-gas attachments. These compression-ignition vehicles have up to the present escaped the taxation in the form of a gasoline tax on all other motor vehicles.

TRADE OF TANGANYIKA TERRITORY IN 1935

H. W. BRIGHTON, ASSISTANT TRADE COMMISSIONER

Cape Town, May 14, 1936.—For the fourth year in succession the general trade of Tanganyika has shown an all-round improvement. In 1934 the visible balance was 22 per cent, and in 1935 it was 25 per cent, with a favourable visible balance of approximately £750,000 sterling.

The total volume of trade for the past three years is shown in the following table, the figures in each case being exclusive of transit and transshipment goods and of bullion and specie. Exports of unrefined gold from the goldfields of the territory are, however, included in the export totals:—

	1933	1934	1935
Trade imports	£1,868,579	£2,214,354	£2,854,480
Government imports	78,108	101,831	135,120
Total imports	£1,946,687	£2,343,185	£2,989,600
Domestic exports	£2,543,162	£2,645,283	£3,445,143
Re-exports	182,716	211,306	278,545
Total exports	£2,725,878	£2,856,589	£3,723,688
Volume of trade	£4,672,565	£5,199,774	£6,713,288

IMPORT TRADE

The total imports (exclusive of bullion and specie) increased in value from £2,343,185 to £2,989,600, an increase of £646,415, or over 27 per cent.

Imports from the British Empire rose slightly during 1935, being 47·6 per cent of the total as against 47·3 per cent in 1934 and 49 per cent in 1933.

The United Kingdom is the principal supplier. From this source imports in 1935 amounted to 29 per cent of the total. As in previous years, Japan was second, with 22 per cent. Percentages in 1935 credited to other principal sources of supply were: Germany, 10·7, an increase from 9·8 in 1934; Kenya and Uganda, 9·6, being a decrease from 11·5; the United States, 6·3, an increase from 5·7; British India, 5 as against 5·3; Dutch East Indies, 4·1 as compared with 4·2.

The principal articles imported during 1935, in order of their importance, percentages of total shown in parentheses, were: cotton piece-goods (20·1), machinery (8·1), other foodstuffs (4·9), gasoline (4·5), iron and steel manufactures (3·8), building materials (3·6), motor trucks (3·5); apparel, underwear, hosiery, and hats and caps (3·2); sugar (2·8), cigarettes (2·4), tools and implements (2·3), motor cars (2·1), coal oil (1·6), jute bags and sacks (1·4), grain (1·4), wheat flour (1·2), spirits (1·2), tires and tubes (1), lubricating oil (1), drugs and medicines (1), wines and beer (1), artificial silk (0·8), fuel oil (0·8), cotton blankets (0·7), boots and shoes (0·6), manufactured tobacco (0·2).

Foodstuffs in the order of their importance were: corn meal and flour, tea, condensed milk, butter, spices, confectionery, ghee, fish (cured and salted), bacon and ham, preserved fruit, biscuits, canned fish, preserved meat, cheese, and salt.

EXPORT TRADE

Domestic exports increased from £2,645,283 in 1934 to £3,445,143 in 1935, an increase of £799,860 or 30 per cent. Of this total the British Empire took 68·6 per cent, and foreign countries 31·4 per cent. The United Kingdom was the principal purchaser with 31·3 per cent, followed by Kenya and Uganda with 22·9 per cent, and British India with 9·3 per cent. Belgium and Germany were the principal foreign countries of destination, with 10 and 7·3 per cent respectively. These two were followed by the United States, 3·8; France, 3·7; Holland, 1·9; and Italy, 0·8 per cent.

The principal exports, in order of their importance, were: sisal, cotton, coffee, gold, ground nuts, hides, rice, cordage, tobacco, beeswax, sesame, copra, ghee, sheep and goat skins, and grain other than rice.

Record output figures for gold, sisal, and cotton, and the recovery in the ground nut crop, had the effect of increasing the United Kingdom's share of the exports by nearly 50 per cent, and thus regaining first place as the principal purchaser, which in 1934 she lost to Kenya and Uganda. Belgium, France, and the United States also increased their percentage share of the exports, France taking more ground nuts, hides, and sisal, and the other two countries mainly sisal. Kenya and Uganda took the major portion of the exports of coffee, and nearly one-quarter of the cotton crop was sold to India.

During the latter part of 1935 welcome increases in prices considerably increased the export values of sisal, ground nuts, and sesame, and more than counterbalanced the decreases in the export volume of copra and hides.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES AFFECTED BY THE CANADA-UNITED STATES TRADE AGREEMENT
EFFECTIVE FROM JANUARY 1, 1936; ALSO UNITED STATES TARIFF RATES IN FORCE. (MONTH OF MAY AND FIVE MONTHS ENDED
MAY 31, 1935 AND 1936)

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS; AND THE FOREIGN TARIFFS DIVISION)

Commodities	Month of May				Five months ended May				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$	Quantity	Value \$		
AGRICULTURAL AND VEGETABLE PRODUCTS										
Fruits—										
Apples, green or ripe.....	1	4	1	3	15	77	262	1,196	25c. per bu. 50 lbs.....	15c. per bu. 50 lbs.
Grain products—										
Bran, shorts and middlings.....	315,582	364,046	305,070	224,661	1,362,850	1,655,315	749,347	601,826	10% ad val.....	10% ad. val.
Cereal foods, prepared, all kinds.....	98,751	4,872	38,293	5,632	279,549	23,545	118,028	32,711	20% ad val.....	15% ad val.
Screenings.....	9,717	103,075	507	2,885	65,096	647,756	3,047	27,641	10% ad val.....	10% ad val.
Hay.....	92,885	9,770	273,791	28,177	455,251	56,592	3,017,279	519,793	\$5 per ton (2,000 lbs.).....	\$3 per ton (2,000 lbs.).
Maple sugar.....									6c. per lb.....	4c. per lb.
Seeds—										
Clover seed, alfalfa.....	105	1,084	45	475	1,049	12,981	973	10,273	8c. per lb.....	4c. per lb.
Clover seed, alsike.....					12	88	312	2,905	8c. per lb.....	4c. per lb.
Grass seed.....	6,018	38,623	14,778	18,577	65,066	412,366	54,689	59,365	2c. per lb.....	1c. per lb. (mainly timothy).
Vegetables—									75c. per 100 lbs.....	45c. per 100 lbs, Mar. 1 to Nov. 30, if certified seed.
Certified seed potatoes (a).....			60,937	48,525						60c. per 100 lbs., Dec. 1 to last day of Feb., if certified seed.
										75c. per 100 lbs. on imports of certified seed in excess of 750,000 bu. during each twelve-month period, beginning Dec. 1, in any year.
	115,068	16,645			209,073	51,170	345,691	298,554		
Potatoes, n.o.p. (b).....			61,018	52,845					75c. per 100 lbs.....	75c. per 100 lbs.
Turnips.....	19,884	4,248	17,361	9,154	824,540	178,241	1,170,142	364,471	25c. per 100 lbs.....	12½c. per 100 lbs.
Whiskey.....	177,899	1,064,704	474,603	2,046,445	720,667	4,085,631	1,847,122	8,901,845	\$5 per pt. gal.....	\$2.50 per pt. gal. if aged in wooden containers for at least four years.
										\$5 per pt. gal. if otherwise.
ANIMALS AND ANIMAL PRODUCTS										
Animals, living—										
Dairy cattle—										
Weighing 175 to 700 lbs. (a).....	653	41,081	303	14,797	1,877	118,247	2,437	145,618	2½c. per lb., 175 to 700 lbs.....	2½c. per lb., 175 to 700 lbs.
Weighing over 700 lbs. (a).....			843	54,135					3c. per lb. if over 700 lbs.....	3c. per lb. if over 700 lbs.
										3c. per lb. if over 700 lbs. on imports in excess of 20,000 head during any calendar year.

CANADA'S DOMESTIC EXPORTS TO THE UNITED STATES OF PRINCIPAL COMMODITIES, Etc.—Concluded

Commodities	Month of May				Five months ended May				United States Tariff	
	1935		1936		1935		1936		1935	Canada-United States Trade Agreement (Jan. 1, 1936)
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
Meats—										
Poultry, dressed or undressed	10,690	\$ 2,156	698	\$ 193	37,112	\$ 7,054	9,116	\$ 2,197	10c. per lb.	6c. per lb., if chickens and guineas; 10c. per lb., if other poultry.
Milk products—										
Cheese	559	8,686	1,259	20,677	1,696	29,614	32,203	428,035	7c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.	5c. per lb., but not less than 25% ad val., if cheddar cheese in original loaves; 7c. per lb., but not less than 35% ad val., if other kinds of cheese.
Cream	5	5	1,686	2,224	5	5	4,416	6,095	55-6/10c. per gal.	35c. per gal.; 55-6/10c. per gal. on imports in excess of 1,500,000 gals. during any calendar year.
Wood, Wood Products and Paper										
Wood and products—										
Boils—Shingle bolts of pine or cedar..	22	66	32	132	99	365	74	305	Free.	Free.
Firewood	3,216	13,708	3,853	14,379	21,490	97,789	20,277	87,220	Free.	Free.
Laths	20,679	46,778	16,922	51,775	69,426	155,863	72,569	212,301	Free.	Free.
Logs	1,420	13,871	4,168	47,024	25,440	244,296	24,404	273,374	Free.	Free.
Masts and spars									\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; Free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; Free, if other kinds.
Pickets	1	25	316	2,897	2,570	20,979	1,564	10,713	Free.	Free.
Piling	19,370	1,718	114,712	6,629	34,110	3,589	165,680	13,412	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; Free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; Free, if other kinds.
Planks and boards—										
Flooring of hardwood	51	3,153	26	1,402	274	12,980	154	7,287	8% ad val.	4% ad val.
Planks of boards, softwood	23,371	564,433	49,844	1,026,392	91,129	2,207,204	194,133	4,254,162	\$1 per M ft. b.m., Revenue Tax if fir, spruce, pine, hemlock or larch; (a) Free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.	\$1 per M ft. b.m., Revenue Tax if fir, spruce, pine, hemlock or larch; (a) Free, if other kinds of wood, but subject to \$3 Revenue Tax per M ft. b.m.
Planks and boards, hardwood	899	37,872	2,377	81,566	4,819	183,417	11,288	389,382	Free, but subject to \$3 per M ft. b.m., Revenue Tax.	Free, but subject to \$1.50 per M ft. b.m., Revenue Tax.
Poles—										
Telegraph and telephone	14,177	37,762	13,272	35,629	75,252	209,017	64,949	189,208	Free.	Free.
Other poles										
Posts, fence	68,863	5,716	62,094	1,233	169,685	3,440	232,405	26,889	Free.	Free.
Pulpwood	44,223	315,618	41,570	269,105	238,520	1,424,524	216,077	1,293,558	Free.	Free.
Railroad ties	9,062	4,219	28,185	32,556	31,391	17,017	62,969	55,179	Free.	Free.
Shingles	133,938	322,225	192,066	500,171	627,743	1,511,523	769,426	2,010,994	Free.	Free.
Staves and headings									Free, if staves; 33 1/3% ad val. if headings.	Free, if staves; 33 1/3% ad val. if headings.

Timber, square— Softwood.....	M ft.	151	3,869	1,086	14,007	442	10,306	2,372	34,115	\$1 per M ft. b.m., if fir, spruce, pine, hemlock or larch; Free, if other kinds.	50c. per M ft. b.m., if fir, spruce, pine, hemlock or larch; Free, if other kinds.
Hardwood.....	M ft.	1	51	105,880	2,159,966	3	177	.....	12	Free.	Free.
Wood, pulp.....	Cwt.	1,009,945	2,164,646	1,105,880	2,159,966	4,085,766	8,888,981	4,941,509	10,125,719	Free.	Free.
Paper—Newsprint.....	Cwt.	3,978,821	6,550,072	4,308,550	7,474,501	15,701,326	27,105,911	18,036,423	31,064,267	Free.	Free.
IRON AND ITS PRODUCTS											
Farm implements—											
Cultivators.....	No.	223	21,122	166	14,224	868	74,258	1,301	92,217	Free.	Free.
Drills.....	No.	4	663	39	3,867	194	18,283	339	35,924	Free.	Free.
Harrows and parts.....	No.	320	56,697	154	31,938	524	96,998	542	101,923	Free.	Free.
Hay rakes.....	No.	90	2,684	45	1,203	518	15,021	91	2,438	Free.	Free.
Mowers and reapers.....	No.	240	15,023	46	2,703	1,248	78,822	411	23,470	Free.	Free.
Ploughs and parts.....	No.	9	45,555	27	37,563	.....	194,445	.....	194,445	Free.	Free.
Reaper threshers.....	No.	.....	6,975	.....	32,406	14	12,425	91	98,498	Free.	Free.
Parts of farm implements, n.o.p.....	No.	366	23,738	545	39,479	.....	90,858	2,529	324,460	Free.	Free.
Ferro-silicon.....	Ton	.....	10,237	.....	9,354	3,585	82,418	.....	59,938	2c. per lb. on silicon content.	1½c. per lb. (on silicon content) when containing 8% or more but not less than 30% of silicon.
Ferro-manganese and other ferro-alloys.....	Ton	4,878	128,574	5,259	128,120	10,607	274,936	12,528	321,886	1½c. per lb. on manganese content.	1c. per lb. (on manganese content) when containing not less than 4% of carbon.
Skates.....	Pair	3,687	3,256	13,132	8,496	13,622	11,448	98,549	57,808	20% ad val.	15% ad val.
NON-FERROUS METALS AND PRODUCTS											
Cobalt in ore.....	Cwt.	10,907	196,427	5,632	101,372	258	9,107	338	17,211	Free.	Free.
Nickel in ore, matte or speiss.....	Cwt.	118	2,397	444	9,842	2,324	46,265	6,646	833,499	Free.	Free.
Nickel in oxide.....	Cwt.	.....	.....	.....	.....	.....	.....	.....	129,577	Free.	Free.
NON-METALLIC MINERALS AND PRODUCTS											
Abrasives, artificial, crude.....	Cwt.	102,661	233,724	110,291	280,556	536,793	1,248,045	580,092	1,428,581	Free.	Free.
Asbestos.....	Ton	4,418	239,104	5,842	305,542	20,898	1,065,249	26,841	1,436,889	Free.	Free.
Asbestos sand and waste.....	Ton	7,071	117,657	10,206	161,512	27,626	421,272	42,847	683,355	Free.	Free.
Feldspar.....	Ton	4,425	2,830	634	4,405	1,508	8,869	1,869	12,683	50c. per ton, if crude.	35c. per ton, if crude.
Gypsum, crude.....	Ton	18,722	20,704	31,425	35,196	40,880	46,780	44,525	49,592	Free.	Free.
Lime.....	Cwt.	3,366	1,625	30,433	12,017	43,818	19,101	80,823	32,651	Various.	Various.
Talc.....	Cwt.	10,658	5,292	13,773	6,945	61,123	31,277	67,290	34,220	35% ad val.	25% ad val.
CHEMICALS AND ALLIED PRODUCTS											
Acetic acid.....	Cwt.	26,129	151,289	21,020	112,406	167,359	981,889	116,679	630,159	2c. per lb., if over 65%.	1½c. per lb., if over 65%.
Glynamid.....	Cwt.	100,852	97,434	93,853	96,357	1,355,411	1,470,322	1,397,086	1,463,054	Free.	Free.
Sulphuric acid.....	Cwt.	1,624	1,273	721	488	6,562	4,562	6,428	4,156	Free.	Free.
MISCELLANEOUS COMMODITIES											
Organs.....	No.	1	10,900	1	25	3	25,040	2	6,793	35% ad val.	25% ad val.
Total exports of above commodities.....		.....	15,604,553	.....	18,364,187	.....	63,980,103	.....	80,544,237	.....	.....
Total domestic exports to United States.....		.....	26,007,920	.....	28,546,779	.....	130,003,719	.....	140,373,858	.....	.....

(a) Reduced rates not applicable to imports of Douglas fir or Western hemlock in any calendar year in excess of an aggregate quantity of 250,000,000 feet, board measure.

FOREIGN TRADE OF EGYPT, 1935

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

(One Egyptian pound (£E) at par equals \$1.99; the Egyptian currency and sterling have a fixed ratio, one pound sterling being equivalent to 975 millimes or £E0.975.)

II

Imports of Foodstuffs, Beverages, and Tobacco

In 1935 foodstuffs formed about 11 per cent of the value of Egypt's total imports compared with 10 per cent in 1934. The chief items in this group, as the following table shows, are coffee, tea and spices; fresh fruits and nuts; cheese; fish, fresh or preserved; edible fats and oils; potatoes; oleaginous fruits and oil seeds; meats; semolina; olives; sweets and preserved fruits and vegetables. The wheat imports of 1935 and 1934 are accounted for by purchases effected by the Government with the specific object of combating high prices on the local market.

Imports of Foodstuffs, 1935 and 1934

Commodity	1935 (1,000 £E)	1934	Chief Countries of Supply
Cattle, sheep, goats, poultry, live ..	42	32	Turkey, Syria, Palestine, Cyprus
Meats fresh, preserved or canned ..	104	79	Australia, U.K., Italy
Fish, fresh, preserved or canned ..	181	175	U.K., France, Portugal, Spain, U.S.A.
Milk and cream, chiefly preserved..	32	34	Switzerland, Canada, Holland, U.K.
Butter	32	25	Australia, United Kingdom
Cheese	197	194	Balkans, Holland, U.K., Italy
Potatoes.. . . .	103	92	Italy, Holland, Cyprus
Olives and capers, fresh or dried ..	75	72	Greece
Fruits and nuts, fresh.. . . .	553	553	Greece, Italy, Iraq, Palestine
Fruits and vegetables, preserved ..	72	67	Italy, U.K., U.S.A.
Wheat.. . . .	266	107	Australia
Flour of wheat	33	40	U.S.A.
Semolina and groats of wheat .. .	85	80	France
Malt and starch.. . . .	34	38	Czechoslovakia, Hungary
Preparations of flour or fecula.. .	51	45	Italy, France
Sugar and glucose	50	23	Java, Belgium
Confectionery and chocolates .. .	69	60	U.K., Belgium
Oil seeds, oleaginous fruits.. . .	130	90	India, Syria, Cyprus
Oils and fats, edible	217	156	France, Greece, Holland, Norway
Coffee, tea, spices	902	958	Ceylon, Brazil, India
Miscellaneous	84	64	
Total.. . . .	3,312	2,984	

The larger imports of foodstuffs into Egypt last year are due almost entirely to increases in wheat (+£E151,000), oils and fats (+£E61,000), oil seeds (+£E40,000), dates (+£E38,000), and raw cane sugar (+£E24,000). The chief decrease was in tea (—£E89,000).

WHEAT AND FLOUR

Imports of wheat into Egypt during 1935 amounted to 39,397 metric tons valued at £E265,772 compared with 17,142 metric tons (£E107,221) in 1934 and only 346 tons valued at £E2,599 in 1933. The increase in last year's imports compared with 1934 is the result of the Egyptian Government's decision, made in 1934, to purchase wheat from Australia rather than lower the high protective duties, with a view to exerting pressure on the local market and reducing local wheat prices which had soared to unprecedented levels because of the low 1933-34 crop.

The Egyptian crop is just about sufficient to satisfy the local demand, with normal yields, owing to the practice adopted by the local millers of mixing a rather high percentage of rice with the flour, although this has considerably lowered the quality of the bread sold in Egypt.

The imports of wheat flour into Egypt last year totalled 3,224 metric tons (££33,029) as against 4,040 tons (££40,392) in 1934. Imports in 1933 amounted to 5,247 tons (££56,406) compared with 58,430 tons (££513,819) in 1932. In 1930 Egypt's flour imports totalled 195,929 metric tons valued at ££2,106,000 (\$10,530,000). The present situation is due to the prohibitive duties imposed on this commodity.

Approximately 86 per cent of last year's imports of wheat flour were from the United States, this country having in 1934 supplied about 78 per cent of the total imports. The other suppliers in 1935 were Australia (229 tons), the United Kingdom (129 tons), and Canada (77 tons).

Semolina and Groats.—Imports of groats and semolina of wheat last year totalled 8,446 metric tons (££85,088). Of this quantity 7,578 tons was utilized in the local manufacture of macaroni and similar products.

MACARONI AND BISCUITS

Macaroni.—Imports of alimentary pastes last year totalled 189,156 kilograms (££5,593) compared with 237,485 kilograms (££6,219) in 1934 and 299,453 kilos (££7,040) in 1933. Italy supplied the bulk of last year's imports. This industry has been encouraged by high import duties.

Bakers' Products.—Imports of fancy bakers' products in 1935 totalled 251,775 kilograms (££22,987) compared with 233,294 kilograms (££21,314) in the previous year. The United Kingdom supplied about 80 per cent of the imports, Belgium, France, Italy, and Holland furnishing the balance.

MALT AND STARCH

Malt.—Hungary and Czechoslovakia are the chief sources of supply of foreign malt. Total imports last year amounted to 402 metric tons (££6,174) as against 715 tons (££9,512) in 1934. These imports are mainly for the local breweries.

Starch.—Imports of starch totalled 3,147 tons (££27,932), about the same as in 1934. Yugoslavia and Czechoslovakia are the chief sources of supply.

GLUCOSE, SUGAR, CONFECTIONERY

Glucose.—While Egypt has a considerable maize crop, there is no local production of glucose. Imports of this commodity increased from 1,518 tons in 1934 to 2,159 tons last year (value ££22,219). The main sources of supply are Belgium and Yugoslavia.

Sugar.—The sugar cane has been cultivated and refined in Egypt for many years, and this industry is highly protected under the tariff so that imports of foreign refined sugar are small. Imports of refined beet sugar in 1935 totalled 424 tons (££2,941). There were 4,659 metric tons of raw cane sugar imported last year for refining purposes.

Confectionery.—Sweets are manufactured locally to some extent. Last year's imports of confectionery amounted to ££21,852, of which the United Kingdom supplied about 60 per cent. Austria, the United States, and Italy, in order, were the next chief sources.

Chocolates.—Total imports of chocolates in bars or other form last year amounted to 503,024 kilograms (££46,859). This is an increase of ££5,450 over 1934. The United Kingdom supplied 261,267 kilos, and Belgium, the next largest supplier, 178,223 kilos. Imports from Italy, the third largest supplier, totalled 12,052 kilograms.

Imports of cocoa in beans increased from 198 metric tons in 1934 to 262 tons in 1935, while ground cocoa increased from 78 tons to 107 tons. Imports of cocoa butter rose from 34 tons to 54 tons.

MILK, BUTTER, CHEESE

Preserved Milk.—Egypt imports preserved milk either in powder or condensed (syrupy) form, both sweetened and unsweetened. Canada has a large share of the imports of the latter.

Total imports of preserved milk, in lumps or powder, in 1935 amounted to 119,449 kilograms (£E11,821), of which 87,329 kilos were unsweetened. Holland is the main supplier of the unsweetened product, and the United Kingdom for sweetened.

Imports of condensed milk last year comprised 281,236 kilograms unsweetened (£E8,858) and 341,664 kilos sweetened (£E11,221). Of the unsweetened, Canada supplied 117,000 kilos. Holland 80,756, Switzerland 8,240, and other countries 75,240 kilos. Holland supplied 165,872 kilos of sweetened condensed milk, Switzerland 115,274, and other countries 60,518 kilos.

Butter.—There are two kinds of butter imported into Egypt, namely melted butter known as *Maslee*, and the fresh or salted product. Imports of the former type, which in 1934 amounted to 62 metric tons, valued at £E5,345, were reduced to 35 tons (£E2,741) in 1935.

Imports of fresh or salted butter last year increased considerably, rising from 296 metric tons valued at £E20,068 in 1934 to 416 tons (£E29,719) last year, of which Australia, the chief source, supplied 317 tons. The second largest supplier was the United Kingdom with 74 tons.

Cheese.—Although there are a considerable number of cheese making establishments in Egypt, imports of this commodity are on a substantial scale.

The foreign type for which the greatest demand exists is known as *Kashkawal*, a fairly hard, round, flat loaf such as is commonly produced and consumed in the Balkans. Total imports of this quality of cheese in 1935 amounted to 2,056 metric tons (£E104,262), the quantity being about the same as for 1934. The principal suppliers are Bulgaria and Greece.

Another type of cheese is imported in its own brine or water, and is creamy white in colour; 65 tons of this quality were purchased last year, valued at £E3,997. Cyprus is the chief source of supply for this variety.

The third group shown in the trade statistics includes the Canadian, Swiss, Dutch, French, and Italian types, the total imports of which in 1935 amounted to 1,204 tons (£E88,538) compared with 973 metric tons (£E76,556) in 1934 and 775 tons (£E73,834) in 1933.

The 1935 imports were as follows: United Kingdom 443 tons, Italy 273 tons, Switzerland 145 tons, Holland 103 tons, France 60 tons, Cyprus 50 tons, and all other countries 129 tons. The large Ontario and Quebec loaves are appreciated in Egypt and have been imported in increasing quantities from stocks held in the United Kingdom. In this connection it may be pointed out that Great Britain was credited in 1935 with 443 tons valued at £E23,273 as against 385.7 tons (£E19,405) in 1934 and 94.5 tons (£E6,172) in 1933. This increase is largely due to the greater demand for Canadian cheese supplied by brokers in the United Kingdom. The Kraft type, in small cardboard boxes, is included in this category.

MEATS, FRESH OR PRESERVED

The consumption of meat in Egypt is considerably lower than that of most countries in Europe and America.

Live Stock.—Egypt is an importer and not an exporter of live stock, and its requirements in this respect are obtained mostly from the Balkan countries. Imports of cows and bullocks in 1935 totalled 5,293 head, of which Roumania supplied 2,514 head and Bulgaria 1,775. There were 9,462 head of sheep and lamb imported, Turkey supplying 3,344. Egypt also imports a considerable number of animals from the Anglo-Egyptian Sudan.

Meats, Fresh or Cured.—Imports of meats, fresh or frozen, salted, dried, smoked or cooked, but not canned, totalled £E47,000 compared with £E30,180 in 1934. Australia has a monopoly of the import trade in refrigerated beef and veal, mutton and lamb, besides supplying a fair share of pork. Imports last year included 883 metric tons of beef and veal, valued at £E23,854; mutton and lamb, 53 tons, £E2,291; pork, excluding bacon, 20 tons, £E1,009. Imports of bacon, salted, dried, smoked or cooked, totalled 115 tons valued at £E8,684, of which the United Kingdom is credited with 87 tons (£E6,876). Imports of ham, salted, dried, smoked or cooked, amounted to 67 tons (£E8,477), the United Kingdom's share being 32 tons (£E3,894).

Meats, Prepared or Canned.—Imports of preparations of meat totalled £E56,000 in 1935 as against £E49,000 in 1934. The chief demand was for sausages and the like (£E21,156), chiefly Italian. Imports of preserved hams and pork totalled £E18,147, and preserved beef and veal £E8,584.

FISH, FRESH OR PRESERVED

Fresh Fish.—Imported fresh or frozen fish is somewhat of a luxury in Egypt owing to the rather heavy duty on this commodity. The hotels catering to the tourist trade are the chief consumers. Imports in 1935 totalled only 6,971 kilograms valued at £E519, mostly consigned from the United Kingdom.

Dried, Salted or Smoked Fish.—Imports of salted, dried or smoked fish of all kinds amounted to 4,387 metric tons (£E93,886) compared with 4,119 tons (£E91,000) in 1934 and 3,764 tons (£E84,339) in 1933.

Dried cod imports totalled 1,915 metric tons (£E45,164) as against 2,043 tons (£E49,697) in 1934. Of last year's imports France supplied 715 tons (compared with 704 tons in 1934), the United Kingdom 802 tons (628 tons), and all other countries 398 tons. The annual total requirements represent \$200,000 to \$250,000. There are no imports from Canada.

There was a notable increase in imports of herrings, salted, dried, or smoked, 2,338 tons being imported in 1935 as against 1,888 tons in the previous year. This trade is practically entirely in the hands of the United Kingdom.

Imports of dried and salted fish, other than cod or herring, totalled 117 metric tons (£E6,610), chiefly from Turkey.

Canned Fish.—Total imports of canned or preserved fish of all kinds in 1935 amounted to £E86,000, an increase of £E10,000 over the previous year.

Imports of canned salmon totalled 148 metric tons (£E5,157), about the same in quantity and value as in 1934. Canada shares this trade with Japan, but the Dominion finds it extremely difficult to meet Japanese prices. A part of the Canadian imports are handled from the United Kingdom.

Canned tuna fish imports rose from 123,704 kilograms in 1934 (£E10,533) to 147,356 kilos (£E10,332) in 1935. Tuna offers considerable competition to canned salmon in the hotels and restaurants as an *hors d'oeuvre* dish.

Imports of canned sardines increased from 175,658 kilos (£E9,298) in 1934 to 271,865 kilos (£E13,743). This trade is in the hands of Portugal and Spain. This item includes only the true sardine.

Imports of canned or preserved fish, other than salmon, tuna, or true sardines increased from 1,791,774 kilograms (£E50,130) in 1934 to 2,343,122 kilos (£E67,264) in 1935. These imports consist mostly of California sardines and pilchards and similar cheap fish from Portugal, for which there is a good demand in this country from the bulk of the inhabitants, whose purchasing power is low. Canadian sardines are sold in the local market.

Canned Shell Fish.—There is a restricted demand for canned shell fish, this commodity, like pork, being prohibited to Moslems. There is a very limited demand for canned crabs and clams, for which Japan is the chief source of supply. Total imports of shelled fish, which is consumed by the European population only, amounted last year to 11,410 kilograms (£E1,471).

Caviar and Roe.—In Egypt (as in other neighbouring countries bordering on the Mediterranean) there is a fairly large consumption of fish eggs. The cheaper varieties of this product are red or pink in colour, while the most expensive qualities are dark brown or black, such as sturgeon's roe.

Imports of red caviar into Egypt in 1935 amounted to 34,796 kilograms (£E3,587), and black caviar to 5,753 kilos (£E4,267). In so far as Canadian exports are concerned, there are difficulties to be overcome owing to distance and the necessity for care in refrigeration during transport from shipping point to port of destination.

EDIBLE FATS AND OILS

Animal fats and oils are imported into Egypt both for food and industrial purposes. The chief industrial use is for the manufacture of common soap.

Out of a total of £E572,000 representing the value of all vegetable and animal oils and fats imported into Egypt during 1935, edible goods totalled £E217,000, made up chiefly of olive oil and butter (£E64,056), coconut oil (£E44,712), hydrogenated oils and fats (£E42,991), margarine (£E10,484), and edible tallow (£E2,266).

FRUITS AND NUTS, FRESH

Total imports of fresh fruits and nuts into Egypt in 1935 amounted to £E552,954 compared with £E552,692 in 1934.

The only articles in this category which are of interest to Canada are apples and pears.

In 1935 imports of fresh apples totalled 5,097 metric tons (£E89,961). Imports of boxed apples from the United States amounted to 1,789 tons (£E42,427) compared with 1,706 tons (£E43,527) in 1934. From Canada imports totalled 845 tons (£E18,414) as against 1,144 tons (£E28,912) in 1934. Imports of apples from Turkey, the main source for unselected fruit, totalled 1,348 tons (£E13,435) in 1935. Purchases from Australia decreased from 411 tons (£E9,434) in 1934 to 152 tons (£E3,884) last year.

Imports of pears from Canada decreased considerably last year—43 tons (£E1,659) compared with 189 tons (£E8,682) in 1934. The United States, on the other hand, supplied 781 tons (£E31,080) as against 569 tons (£E25,295) in 1934. Total imports of pears in 1935 amounted to 945 metric tons (£E35,896). Imports from Greece totalled 69 tons (£E1,633), and from Italy 23 tons (£E621).

POTATOES

The preference in Egypt is for yellow fresh varieties of potatoes, but there is nevertheless a good demand for the white.

Last year's imports of potatoes, both table and seed, totalled 17,851 metric tons (£E103,179) as against 15,396 tons (£E91,866) in 1934, and were subdivided as follows by countries: Italy, 7,606 tons (£E46,361); Holland, 4,760 tons (£E25,034); Cyprus, 1,616 tons (£E10,159); Belgium, 1,498 tons (£E7,193); United Kingdom, 1,020 tons (£E6,444); and all other countries, 1,352 tons (£E7,988).

PREPARED FRUITS AND VEGETABLES

The total value of Egypt's imports of canned or preserved fruits and vegetables of all kinds in 1935 was £E71,937, which compares with £E67,124 in 1934. Egypt enjoys a climate which allows of cultivation the year round, which partly accounts for the relatively small demand for canned vegetables and fruits.

Imports of fruits, whole or divided, and pulps, preserved in non-alcoholic liquids, totalled 618,563 kilograms (£E16,620) compared with 574,107 kilograms (£E14,228) in 1934.

Imports of jams, jellies, and similar preparations amounted to £E12,769, an increase of only £E390 on the previous year.

Preserved tomatoes, which are imported chiefly from Italy, totalled 507,015 kilograms valued at £E14,458 as against 613,997 kilos (£E16,805) in 1934.

Imports of other preserved vegetables in 1935 totalled 578,005 kilograms valued at £E18,102 compared with 460,926 kilos (£E13,985) in 1934.

BEVERAGES

The total value of alcoholic beverages imported into Egypt rose from £E399,918 in 1934 to £E453,679 in 1935. The chief categories were: wines (£E119,028); beer (£E99,115); whisky (£E109,591); and brandy (£E83,271). Imports of wines decreased by £E16,904 and of brandy by £E9,833. Beer increased by £E38,068, and whisky by £E5,616.

Egypt being primarily a Mohammedan country, imports of alcoholic beverages are practically limited to the European and other non-Moslem inhabitants, a total of some 250,000 people.

The preference in this country in regard to whisky is mostly for the qualities produced in the British Isles. A certain quantity of Canadian rye whisky, however, is consumed.

Imports in the non-alcoholic group during 1935 were: mineral and aerated waters, chiefly from France £E23,536; and lemonades, £E3,563. The demand for soda water, lemonades, and so forth is supplied mostly by local production.

TOBACCO

Tobacco is not grown in Egypt, this being prohibited by law. There is, however, a considerable cigarette industry, catering for both the local and foreign demand.

Total imports of tobacco in leaves during 1935 amounted to 5,866 metric tons (££628,312) compared with 5,684 tons (££572,640) in 1934. The sources of supply are chiefly Greece, Turkey, Japan, Bulgaria, and China. Last year the United States was credited with 292,456 kilograms (££37,977). This tobacco is chiefly of the Kentucky type.

Imports of cigarettes last year totalled 112,054 kilograms valued at ££84,793, of which the United Kingdom is credited with 85 per cent.

FOREIGN TRADE OF JAPAN, JANUARY TO MARCH

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

(For purposes of comparison the average rate of the yen for the first three months of 1935 and 1936 was 29 cents Canadian funds.)

Tokyo, April 28, 1936.—The total foreign trade of Japan for the first three months of 1936, ended March 31, was valued at 1,357,172,931 yen as against 1,272,389,223 yen in the 1935 similar period, an increase of 84,783,708 yen.

Exports were valued at 584,412,088 yen as against 561,362,441 yen in the 1935 period, a decrease of 23,049,647 yen, and imports at 772,760,843 yen as against 711,026,782 yen, an increase of 61,734,061 yen. Japan had thus an unfavourable balance of trade for the period under review amounting to 188,348,755 yen as compared with an excess of imports valued at 149,664,341 yen in the first quarter of 1935.

EXPORTS TO PRINCIPAL COUNTRIES

Exports to Asiatic countries were valued at 297,016,252 yen as against 287,947,549 yen in the January-to-March period of 1935, an increase of 9,068,703 yen. The chief purchasers were Kwantung Province (74,147,212 yen), British India (57,065,607 yen), Manchukuo (33,331,670 yen), China Proper (32,437,633 yen), the Dutch East Indies (25,003,628 yen), and the Philippine Islands (12,688,532 yen). Exports to Europe were valued at 69,629,236 yen as against 60,854,283 yen, an increase of 8,774,953 yen. Chief European customers were Great Britain (31,295,261 yen), Germany (8,683,857 yen), France (8,431,364 yen), the Belgo-Luxemburg Economic Union (4,433,348 yen), Holland (3,735,778 yen), and Russia (2,358,369 yen). Exports to North America were valued at 135,552,843 yen as compared with 116,408,317 yen, an increase of 19,144,526 yen. Of this amount exports to the United States were valued at 133,306,113 yen, and to Canada at 2,233,223 yen.

Exports to Central America were valued at 6,942,253 yen as against 11,308,461 yen, a decrease of 4,366,208 yen. Chief purchasers were Panama (1,857,865 yen), Mexico (1,601,162 yen), and Curacao (614,874 yen).

Exports to South American countries were valued at 13,809,722 yen as compared with 20,788,938 yen, a decrease of 6,979,216 yen. The chief customers were Argentina (4,482,093 yen), Brazil (1,923,413 yen), Chile (1,630,080 yen), and Uruguay (1,442,126 yen).

Exports to African countries were valued at 40,444,702 yen as against 44,565,161 yen, a decrease of 4,120,459 yen. The largest purchasers were Egypt (9,190,207 yen), Kenya, Uganda and Tanganyika (7,611,349 yen); the Federation of South Africa (7,520,464 yen); French Morocco (3,782,013 yen); Anglo-Egyptian Sudan (2,731,239 yen); Mozambique (2,533,274 yen); French Somali Coast (1,339,090 yen); and the Belgian Congo (1,248,505 yen).

Exports to Oceanic countries were valued at 21,017,080 yen as against 19,489,732 yen, an increase of 1,527,348 yen. Of this amount shipments to

Australia were valued at 16,610,423 yen, to New Zealand at 2,196,904 yen, and to Hawaii at 1,713,581 yen.

EXPORTS BY COMMODITIES

Cotton tissues during the period under review continued to hold first place as Japan's chief export, a position which has been held since 1933. Previous to that year raw silk was always Japan's most important export, but now comes second. Exports of cotton tissues amounted to 636,280,926 square yards (109,291,355 yen) as against 714,009,580 square yards (133,026,788 yen), in the January to March period of 1935, a decrease in both quantity and value.

Of total exports of cotton tissues, 249,738,593 square yards (36,402,074 yen) were classified as "grey," 120,857,082 square yards (19,121,645 yen) as "bleached," and 265,685,251 square yards (53,767,636 yen) as "other." The largest purchasers of "grey" cotton tissues were British India (9,641,010 yen), Manchukuo (4,882,444 yen), the Dutch East Indies (2,519,480 yen), Aden (2,260,023 yen), and Kenya, Uganda and Tanganyika (1,657,954 yen). "Bleached" cotton tissues were exported chiefly to the Dutch East Indies (2,508,611 yen), British India (2,050,834 yen), French Morocco (1,597,883 yen), and Manchukuo (1,464,346 yen). Cotton tissues classified as "other" were exported chiefly to British India (6,505,288 yen), the Dutch East Indies (6,119,781 yen), Manchukuo (5,438,612 yen), Kenya, Uganda and Tanganyika (2,988,361 yen), Siam (2,637,310 yen), Kwantung Province (2,488,490 yen), Egypt (2,266,056 yen), Argentina (2,227,686 yen), Australia (2,040,047 yen), Hongkong (2,038,650 yen), and Iraq (2,030,046 yen).

Raw silk was Japan's second largest export item and amounted to 102,554 bales (85,643,364 yen) as against 124,024 bales (78,451,916 yen) in the 1935 first quarter period, a decrease in quantity although an increase in price due to a rise in the value of raw silk. As usual, the United States was Japan's largest customer for raw silk, and exports to that country amounted to 84,370 bales (70,901,836 yen) as against 103,484 bales (65,612,854 yen). Other purchasers of raw silk from Japan were Great Britain (7,386,508 yen), France (3,716,276 yen), Australia (1,295,331 yen), British India (1,222,205 yen), Canada (96,794 yen)¹, and Switzerland (58,716 yen).

Japan's third largest export was that of artificial silk tissues valued at 31,782,389 yen as against 31,417,098 yen, an increase of 365,291 yen. The largest purchasers of this commodity were British India (5,648,568 yen), Australia (4,221,736 yen), Kwantung Province (3,993,746 yen), the Philippine Islands (3,134,367 yen) and Hongkong (1,813,224 yen).

VALUES EXCEEDING 10,000,000 YEN

The following products were exported to a value exceeding 10,000,000 yen:—

Iron and steel (16,837,956 yen), chiefly to Kwantung Province, China proper, and Siam; silk tissues (15,335,400 yen), chiefly to British India, Great Britain, the United States, and Germany; machinery (13,757,811 yen), chiefly to Kwantung Province, China proper, and Asiatic Russia; comestibles in tin and bottle (12,705,996 yen), chiefly to the United States and Great Britain; vegetable fatty oils (12,629,339 yen), chiefly to the United States; and knitted goods (11,347,654 yen), chiefly to the United States, Great Britain, the Philippine Islands, and British India.

VALUES BETWEEN 5,000,000 AND 10,000,000 YEN

The following products were exported to a value exceeding 5,000,000 yen and not more than 10,000,000 yen:—

Cotton yarns (9,873,087 yen), chiefly to British India, Manchukuo, and the Dutch East Indies; iron manufactures (8,856,354 yen), chiefly to Kwantung Province and British India;

¹ These figures are direct exports only and do not take into account Canada's indirect purchases of raw silk from New York. See page 1209 of this issue.

artificial silk (8,742,015 yen), chiefly to Kwantung Province and British India; pottery (8,688,895 yen), chiefly to the United States, British India, Australia, and the Dutch East Indies; woollen tissues (8,485,074 yen), chiefly to Kwantung Province; toys (6,773,058 yen), chiefly to the United States, Great Britain, and British India; refined sugar (6,431,026 yen), chiefly to Kwantung Province and China proper; glass and its manufactures (5,745,675 yen), chiefly to British India, the United States, and China proper; and papers (5,410,405 yen), chiefly to Kwantung Province and China proper.

IMPORTS FROM PRINCIPAL COUNTRIES

Imports from Asiatic countries were valued at 269,077,969 yen as against 232,840,698 yen in the January-to-March period of 1935, an increase of 36,237,271 yen. Of this amount, imports from British India were valued at 95,034,220 yen, from Manchukuo at 70,972,969 yen, and from China proper at 34,968,745 yen.

Shipments from European countries were valued at 92,137,814 yen as against 94,001,964 yen, a decrease of 1,864,150 yen. Japan's chief European sources of supply were Germany (35,749,749 yen), Great Britain (21,838,676 yen), Sweden (5,860,403 yen), France (5,745,080 yen), Belgo-Luxemburg Economic Union (4,217,796 yen), and Switzerland (3,737,889 yen).

Imports from the United States were valued at 255,273,983 yen as against 266,673,416 yen, a decrease of 11,399,433 yen. Imports from Canada were valued at 17,357,881 yen as against 18,724,775 yen, a decrease of 1,366,894 yen.

Shipments from Central America were valued at 3,967,355 yen as against 476,658 yen, an increase of 3,490,697 yen. The largest Central American exporters to Japan were Mexico (3,816,051 yen) and Guatemala (60,613 yen).

Imports from South America were valued at 13,732,985 yen as against 6,975,662 yen, an increase of 6,757,323 yen. Japan's chief South American purchases were from Argentina (5,761,666 yen), Chile (3,342,035 yen), Peru (1,721,983 yen), Uruguay (1,266,949 yen), and Brazil (1,015,866 yen).

Shipments from African countries were valued at 19,343,608 yen as against 27,836,311 yen, a decrease of 8,492,703 yen. The largest African sources of supply were Egypt (12,369,314 yen), the Federation of South Africa (3,244,141 yen), and Italian Somaliland (1,419,189 yen).

Imports from Oceanic countries were valued at 101,847,279 yen as against 55,827,651 yen, an increase of 46,019,628 yen. Of this amount imports from Australia were valued at 92,106,807 yen, from New Zealand at 7,787,073 yen, and from the Society Islands at 1,028,404 yen.

IMPORTS BY COMMODITIES

As usual, Japan's largest single import item was that of raw cotton, imports of which were valued at over 31 per cent of the value of Japan's total imports for the period under review. Japan's imports of raw cotton for the period under review amounted to 598,168,296 pounds (247,144,491 yen) as against 573,192,048 pounds valued at 268,091,412 yen, an increase in quantity although a decrease in value. The largest suppliers of raw cotton to Japan were the United States (145,664,754 yen), British India (80,555,088 yen), Egypt (9,491,148 yen), and China proper (5,116,477 yen).

The second largest import was that of sheep's wool, amounting to 94,971,888 pounds (89,150,266 yen) as against 54,894,312 pounds, (41,491,709 yen), a large increase in both quantity and value. Japan's largest suppliers of sheep's wool were Australia (78,653,759 yen), New Zealand (7,176,148 yen), and the Union of South Africa (2,394,922 yen).

Beans and peas come third in importance in point of value—29,949,201 yen as against 21,720,022 yen. Manchukuo supplied 98 per cent of these imports.

The fourth largest import item during the period under review was that of crude and heavy mineral oil, amounting to 251,601,000 gallons (29,345,732

yen) as against 201,913,700 gallons (23,281,823 yen), an increase in both quantity and value. Imports of this mineral oil came chiefly from the United States (21,291,999 yen), the Dutch East Indies (5,017,147 yen), and British Borneo (2,011,014 yen). In addition to the above-mentioned mineral oil, 53,487,200 gallons of mineral oil under 0-8762 S.G. (11,688,822 yen) were imported, chiefly from the Dutch East Indies and the United States.

From a value standpoint iron and steel come fifth in order of importance—23,383,046 yen as compared with 52,540,436 yen.

Other imports of substantial amount were:—

Machinery (22,949,339 yen), chiefly from the United States, Germany, and Great Britain; paper and rayon pulp (15,298,436 yen), chiefly from the United States, Norway, Sweden, and Canada; oil-yielding materials (17,032,114 yen), chiefly from Manchukuo, China proper, and the Dutch East Indies; sulphate of ammonia (14,054,255 yen), chiefly from Germany, the United States, Kwantung Province, and Manchukuo; oilcake (13,810,332 yen), chiefly from Manchukuo, Kwantung Province, and China proper; crude india-rubber and gutta-percha (13,475,876 yen), chiefly from the Straits Settlements, the Dutch East Indies, and British India; wheat (12,725,475 yen), chiefly from Australia and Canada; lumber (12,218,382 yen), chiefly from the United States, the Philippine Islands, British Borneo, the Dutch East Indies, and Canada; coal (12,045,497 yen), chiefly from Manchukuo, China proper, and French Indo-China; and automobiles and parts (11,957,657 yen), chiefly from the United States.

The following products were imported to a value not exceeding 10,000,000 yen and not less than 5,000,000 yen:—

Sugar, chiefly from the Dutch East Indies; hides and skins, chiefly from China proper, the United States, and Australia; "other" vegetable fibres, chiefly from the Philippines, British India, and China proper; phosphorite, chiefly from Egypt and the United States; ores, chiefly from China proper, Australia, and British India; pig iron, chiefly from Manchukuo and British India; aluminium, chiefly from Canada; lead, chiefly from Canada and British India; and copper, chiefly from the United States.

SUMMARY OF FOREIGN TRADE OF JAPAN

The following is a summary of Japan's total foreign trade for the first three months of 1936 and 1935:—

	Jan.-Mar., 1936	Jan.-Mar., 1935	Per Cent Inc. or Dec.
Imports	772,760,843	711,026,782	+ 8.6
Exports	584,412,088	561,362,441	+ 4.1
Total	1,357,172,931	1,272,389,223	+ 6.7
Excess of imports .. .	188,348,755	149,664,341	+25.8

PRINCIPAL EXPORTS AND IMPORTS

The following figures show Japan's chief exports and imports for the first three months of 1936 and 1935, together with the percentage of increase or decrease as against 1935:—

Principal Exports from Japan

	Jan.-Mar., 1936	Jan.-Mar., 1935	Per Cent Inc. or Dec.
Raw silk	85,643,364	78,451,916	+ 9.2
Cotton tissues (other)	53,767,636	68,583,008	— 21.6
Cotton tissues (grey)	36,402,074	38,777,672	— 6.1
Artificial silk tissues	31,782,389	31,417,098	+ 1.2
Cotton tissues (bleached)	19,121,645	25,666,108	— 25.5
Iron	16,837,956	12,833,055	+ 31.2
Silk tissues	15,335,400	20,062,314	— 23.6
Machinery	13,757,811	10,880,869	+ 26.4
Comestibles in tin and bottle	12,705,996	11,242,550	+ 13.0
Vegetable fatty oils	12,629,339	6,822,507	+ 83.5
Knitted goods	11,347,654	11,794,385	— 3.8
Cotton yarn	9,873,087	7,450,017	+ 32.5
Iron manufactures	8,856,354	7,383,360	+ 19.8
Artificial silk	8,742,015	5,396,226	+ 62.0

Principal Exports from Japan—Concluded

	Jan-Mar., 1936	Jan-Mar., 1935	Per Cent Inc. or Dec.
Potteries	8,688,895	8,754,996	— 0.8
Woollen tissues	8,485,074	7,757,435	+ 9.4
Toys	6,773,058	6,616,754	+ 2.4
Sugar, refined	6,431,026	3,693,213	+ 74.1
Glass	5,745,675	5,245,328	+ 9.5
Papers	5,410,405	5,113,337	+ 6.0
Wheat flour	4,682,975	8,225,285	— 43.1
Hats, caps and bonnets	4,622,527	4,440,731	+ 4.1
Aquatic products	4,543,971	4,077,052	+ 11.5
Lumber	4,333,377	4,338,357	— 0.1

Principal Imports into Japan

	Jan-Mar., 1936	Jan-Mar., 1935	Per Cent Inc. or Dec.
Raw cotton	247,144,491	268,091,412	— 7.8
Sheep's wool	89,150,266	41,491,709	+ 114.9
Beans	29,949,201	21,720,022	+ 37.9
Mineral oil	29,345,732	23,281,823	+ 26.0
Mineral oil under 0.8762 S.G.	11,688,822	8,689,374	+ 34.5
Iron (other)	23,383,046	52,540,436	— 55.5
Machinery	22,949,339	25,358,644	— 9.5
Oil-yielding materials	17,032,114	13,806,630	+ 23.4
Pulp	15,298,436	15,699,303	— 2.6
Sulphate of ammonia	14,054,255	2,141,846	+ 556.2
Oil cake	13,810,332	10,841,183	+ 27.4
Rubber	13,475,876	13,151,516	+ 2.5
Wheat	12,725,475	11,700,678	+ 8.8
Lumber	12,218,382	13,489,778	— 9.4
Coal	12,045,497	13,231,531	— 8.96
Automobiles and parts	11,957,657	7,314,024	+ 63.5
Pig iron	9,764,703	9,610,706	+ 1.6
Other vegetable fibres	8,569,820	5,602,090	+ 52.97
Ores	7,703,738	5,635,162	+ 36.7
Copper	6,299,707	8,545,844	— 26.3
Hides and skins	6,065,518	4,734,525	+ 28.1
Aluminium	5,609,830	8,242,376	— 31.9
Sugar	5,462,000	3,033,118	+ 80.1
Phosphorite	5,404,482	4,031,811	+ 34.0
Lead	5,134,908	4,049,020	+ 26.8

JAPAN'S TRADE WITH CANADA

Japan's total trade with Canada for the first three months of 1936, ended March 31, was valued at 19,591,104 yen as against 20,506,738 yen in the January-to-March period of 1935, a decrease of 915,634 yen.

Exports to Canada were valued at 2,233,223 yen as against 1,781,963 yen, an increase of 451,260 yen; imports from Canada were valued at 17,357,881 yen as against 18,724,775 yen, a decrease of 1,366,894 yen.

As usual, Japan had an unfavourable balance of trade with Canada for the period under review, amounting to 15,124,658 yen as compared with an excess of imports valued at 16,942,812 yen in last year's period. This is according to Japanese statistics, which do not, of course, show indirect exports to Canada such as raw silk, which is purchased through New York. If Canada's purchases of raw silk were taken into account, Japan's unfavourable balance of trade with Canada would be considerably reduced.

EXPORTS TO CANADA

Japan's largest export to Canada is raw silk, but as most of this silk is purchased from New York, Japanese statistics show only direct shipments to Canada, and indirect shipments to the Dominion are shown as exports to the United States. According to these statistics, direct exports of raw silk to Canada for the period under review amounted to only 120 bales (96,794 yen) as against

45 bales (27,790 yen) in the January-to-March period of 1935. To show the ratio between direct and indirect shipments of Japanese raw silk to Canada, it might be of interest to quote the 1935 figures. For the whole year 1935 direct shipments of raw silk to Canada amounted to only 120 bales valued at 70,480 yen, but according to Canadian statistics Canada purchased raw silk from Japan valued at over 16,000,000 yen.

Japan's next largest exports to Canada for the period under review were pottery, rice, toys, tea, artificial silk tissues, silk tissues, lamps and parts, and menthol crystal. Exports of pottery were valued at 391,701 yen as against 341,130 yen in the 1935 similar period, an increase of 50,571 yen. Canada was Japan's fifth best customer for these products. Exports of rice were valued at 265,780 yen as against 92,358 yen, an increase of 173,422 yen. (Canada was the largest purchaser of rice from Japan during the period under review.) Exports of toys were valued at 146,725 yen as compared with 123,575 yen, an increase of 23,150 yen. Exports of tea were valued at 83,416 yen as against 31,988 yen, an increase of 51,428 yen. (Canada was Japan's third best customer for tea. Exports of artificial silk tissues were valued at 76,785 yen as against 39,504 yen, an increase of 37,281 yen; of silk tissues at 67,290 yen as against 70,318 yen, a decrease of 3,028 yen; of lamps and parts at 19,361 yen as compared with 30,126 yen, a decrease of 10,765 yen; and of menthol crystal at 18,047 yen as against 7,256 yen, an increase of 10,791 yen. Among other exports to Canada were: beans and peas (14,661 yen); brushes (10,285 yen); buttons (6,466 yen); and silk handkerchiefs (5,415 yen).

IMPORTS FROM CANADA

Japan's largest imports from Canada during the first three months of 1936 were aluminium, wheat, newsprint, lead, paper and rayon pulp, and lumber. Lumber was Japan's largest import from Canada during 1935, and following the removal of the surtax at the beginning of this year, imports have been slow in recovering. Wheat has recovered remarkably, and pulp would recover more quickly if only Canadian suppliers were in a position to meet Japan's requirements.

Imports of aluminium from Canada amounted to 4,176 short tons (4,688,670 yen) as against 3,387 tons (4,218,058 yen), an increase in both quantity and value. Canada supplied about 90 per cent of Japan's aluminium import requirements, while the remaining imports came from Switzerland and Norway.

Imports of wheat from Canada amounted to 811,168 bushels (2,668,169 yen) as against 740,938 bushels (2,378,162 yen), an increase in both quantity and value. Canada was the second largest source of supply, Australia coming first with shipments valued at 9,571,832 yen out of total imports valued at 12,725,475 yen. Imports from the United States were valued at only 19,959 yen.

Shipments of newsprint from Canada amounted to 20,273 short tons (2,313,173 yen) as against 14,943 tons (1,682,623 yen), an increase in both quantity and value. Imports from Canada represented 89 per cent of Japan's total imports. Other suppliers were Great Britain, Norway, Sweden, the United States, and Holland. Canada also maintained her position as the largest shipper of lead, with 40 per cent of the total. Imports from Canada amounted to 9,053 short tons (2,186,668 yen) as against 7,142 short tons (1,131,745 yen), an increase in both quantity and price. British India, the United States, Australia, Great Britain, and China proper were other sources of supply.

Imports of paper and rayon pulp from Canada amounted to 6,520 short tons (819,897 yen) as against 10,060 tons (1,883,106 yen), a large decrease in both quantity and value. The United States (7,629,639 yen), Norway (2,750,128 yen), and Sweden (2,515,298 yen) were other suppliers.

Shipments of Canadian lumber, which is usually Japan's largest single import from Canada, were valued at only 467,886 yen as against 3,253,576 yen in the January-to-March period of 1935, a decrease of 2,785,690 yen. During the latter half of last year, Japanese importers were forced to look for new connections. The United States (8,338,324 yen), the Philippine Islands (1,397,414 yen), British Borneo (954,342 yen), and the Dutch East Indies (606,152 yen) were among the supplying countries.

Imports of zinc from Canada amounted to 1,634 short tons (421,517 yen) as against 3,850 short tons (846,510 yen), a decrease of over 50 per cent in both quantity and value. In the first quarter of 1935 Canada held first place as a source of zinc to Japan; but during the period under review Canada takes third place, Australia being first with 809,395 yen and the United States second with 541,143 yen. It is expected, however, that Canada will regain her position as the largest supplier before the end of the year.

Machinery imports from Canada were valued at only 12,440 yen as against 55,500 yen, a decrease of 43,100 yen. Imports of other iron declined from 422,887 yen to 9,154 yen, a decrease of 413,733 yen. Imports of fresh beef also showed a large decline due to Canadian prices becoming too high as against local and Chinese quotations. Imports of fresh beef from Canada were valued at only 558 yen as compared with 55,536 yen, a decrease of 54,978 yen.

Statistics of imports of wheat flour from Canada are not available, but according to a Japanese firm who are practically the only importers of Canadian wheat flour at the present time, they brought in 179,000 bags during the period under review as against 335,000 during the first quarter of 1935. This firm imports high-grade Canadian flour with a high gluten content for manufacturing a seasoning extract known as "ajinomoto," which enjoys great popularity in Japan.

SUMMARY OF JAPAN'S TRADE WITH CANADA, JANUARY TO MARCH, 1936 AND 1935

The following is a summary of Japan's total trade with Canada for the first three months of 1936 and 1935, ended March 31:—

	Jan.-Mar., 1936 Yen	Jan.-Mar., 1935 Yen	Per Cent Inc. or Dec.
Imports	17,357,881	18,724,775	— 7.3
Exports	2,233,223	1,781,963	+25.3
Total trade	19,591,104	20,506,738	— 4.5
Excess of imports	15,124,658	16,942,812	—10.7

CHIEF EXPORTS AND IMPORTS

The following table shows Japan's chief exports to and imports from Canada for the first three months of 1936 and 1935, ended March 31, together with percentage of increase or decrease compared to the 1935 period:—

Principal Exports to Canada

	Jan.-Mar., 1936 Yen	Jan.-Mar., 1935 Yen	Per Cent Inc. or Dec.
Pottery	391,701	341,130	+ 14.8
Rice	265,780	92,358	+187.8
Toys	146,725	123,575	+ 18.7
Raw silk ¹	96,794	27,790	+248.3
Tea	83,416	31,988	+160.8
Artificial silk tissues	76,785	39,504	+ 94.4
Silk tissues	67,290	70,318	— 4.3
Lamps and parts	19,361	30,126	— 35.7
Menthol crystal	18,047	7,256	+141.7
Beans and peas	14,661	5,373	+172.9
Brushes	10,285	10,263	+ 0.2
Buttons	6,466	21,399	— 69.8

¹ Does not take into account Canada's purchases of Japanese raw silk from New York.

Principal Imports from Canada

	Jan.-Mar., 1936 Yen	Jan.-Mar., 1935 Yen	Per Cent Inc. or Dec.
Aluminium	4,688,670	4,218,058	+ 11.2
Wheat	2,668,169	2,378,162	+ 12.2
Newsprint	2,313,173	1,682,623	+ 37.5
Lead	2,186,668	1,131,745	+ 93.2
Pulp (paper and rayon)	819,897	1,883,106	— 56.5
Lumber	467,886	3,253,576	— 85.6
Zinc	421,517	846,510	— 50.2
Machinery	12,440	55,500	— 77.6
Iron (other)	9,154	422,887	— 97.8
Beef (fresh)	558	55,536	— 99.0

ALUMINIUM DEVELOPMENTS IN JAPAN

T. J. MONTY, ASSISTANT TRADE COMMISSIONER

(100 kin equals 132 pounds; one yen equals approximately 29½ cents Canadian)

Tokyo, May 30, 1936.—As already reported in *Commercial Intelligence Journal* No. 1688 (June 4), new import tariff rates on aluminium became effective in Japan to-day. The new rates are as follows:—

	Old Duty	New Duty	Equivalent of New Rate
Ingots, slabs and grainsper 100 kin	4.32 yen	17.70 yen	\$3.90 p. 100 lb.
Bars or rods, plates and sheetsper 100 kin	24.97 yen	38.30 yen	\$8.40 p. 100 lb.
Wires and tubesad val.	20%	25%	25%
Aluminium foils	25% ad val.	55.80 yen per 100 kin (including receptacles)	\$12.25 p. 100 lb.
Waste or old, fit only for re-manufacturing . .	5% ad val.	17.70 yen per 100 kin	\$3.90 p. 100 lb.

It may be observed from the above that the principal increase in duties takes place in ingots, slabs and grains, and in waste or scrap aluminium. The duties on ingots, slabs and grains have increased four times over and are now equivalent to about 20 per cent ad valorem based on the current prices of aluminium. For waste or scrap the increase is 500 per cent, which represents an ad valorem duty of between 25 and 26 per cent on current prices for aluminium scrap.

IMPORTS

Imports of aluminium ingots, slabs and grains for 1935 as compared with the previous year have increased by 83 per cent in quantity and by about 93 per cent in value. According to the countries of origin, shipments from practically all countries showed an increase.

	1934 Cwts.	1935 Cwts.	1934 Yen	1935 Yen
Canada	69,377	98,226	4,025,991	6,029,804
Norway	10,940	40,214	861,053	3,005,279
Switzerland	8,472	37,367	555,024	2,565,337
Great Britain	1,841	6,744	140,762	444,120
France	11,164	6,207	775,876	510,234
Germany	5,650	5,058	364,847	343,676
United States	1	1	119	120
Other	10,069	21,215	707,344	1,424,649
Total	117,514	215,032	7,431,016	14,323,219

Imports of aluminium other than ingots, slabs and grains which are considered to be scrap amounted to 79,801 cwts. (4,039,098 yen) during 1935 as against 106,354 cwts. (5,145,352 yen) for 1934, showing a decrease of 25 per cent in quantity and 21.5 per cent in value.

Total imports of aluminium in Japan are shown as follows for the last five years according to official statistics:—

	Virgin Figures	Scrap in Metric Tons	Total	Value In 1,000 Yen
1931..	2,738	2,476	5,214	3,312
1932	4,792	3,493	8,285	7,794
1933	3,518	3,721	7,239	10,233
1934	5,341	4,834	10,175	12,576
1935	9,774	3,627	13,401	18,362

Ingots, which comprise the major portion of imports, come mostly from Canada; scrap chiefly from the United States.

These figures may serve to show to what extent imports have been developing within the last few years.

Imports of aluminium ingots, slabs and grains for the first three months of 1936 as compared with the similar period of last year declined by 20 per cent in quantity and by about 32 per cent in value. Shipments from Canada show an increase, while those from all other exporting countries show a decrease as may be seen from the following table:—

	Jan.-Mar., 1935 Cwts.	Jan.-Mar., 1936 Cwts.	Jan.-Mar., 1935 Yen	Jan.-Mar., 1936 Yen
Canada..	67,752	83,527	4,218,058	4,688,670
Switzerland	14,880	11,175	1,053,288	783,779
Norway	24,235	2,012	1,930,635	133,243
Great Britain	5,626	.....	372,059	.....
France	4,530	.....	406,592	.....
Germany	1,147	.....	86,048	.....
Other	2,658	71	175,696	4,138
Total..	120,828	96,785	8,242,376	5,609,830

Imports of "other" aluminium (mostly scrap) for the first quarter of 1936 amounted to 14,711 cwts. (772,796 yen), as against 23,798 cwts. (1,175,399 yen), a reduction of 38.2 per cent in quantity and 34.3 per cent in value. It is reported that stocks of aluminium and scrap in Japan at the present time amount to approximately 10,000 metric tons, and that even with the higher tariff in effect, this stock will enable the consumers to continue operations without curtailment or material increase in price.

The effect of the increases in the tariff would probably be to shut out imports of ingots and scrap. Aluminium kitchen utensils are almost entirely manufactured from reclaimed aluminium obtained from scrap.

EXCHANGE SITUATION IN COLOMBIA

Mr. W. J. Riddiford, Canadian Trade Commissioner in Panama, writes under date June 5, 1936, that the recent decision of the Banco de la Republica fixing their selling rate for United States dollars at 1.75 $\frac{1}{4}$ and their buying rate 1.73 is reported to have curtailed speculation which in the past has been held responsible for wide exchange fluctuations. As a result of the limitation of exchange transactions to the legitimate requirements of trade, business is reported much quieter. No change has been made in the regulations of the Exchange Control Board of Colombia as reported in *Commercial Intelligence Journal* No. 1661 (November 30, 1935). There is said to be adequate foreign exchange available at the present time, and providing Colombian importers carefully observe these regulations, remittances should be available within thirty days from date of customs clearance of shipments. Current exchange transactions are being handled in a more orderly manner and with greater promptness than formerly, and some past-due obligations are now being liquidated.

ECONOMIC CONDITIONS IN URUGUAY

R. G. C. SMITH, ASSISTANT TRADE COMMISSIONER

(The former gold parity of the Uruguayan peso was \$1.0342)

Buenos Aires, May 15, 1936.—Following a year of gradual improvement, conditions during the first four months of 1936 have shown a definitely upward trend. So far there has been no relief or improvement in the import trade, and, in spite of a substantial budget surplus carried over from 1935, interest on the foreign debt is only being met at $3\frac{1}{2}$ per cent, although most loans were issued at 5 per cent, and all amortization services on the external debt are still in suspense. Government bonds have been showing a gradually rising tendency after falling precipitately in March of 1935, when a prohibition on the export of coupons came into effect.

Business conditions in general have been more satisfactory, with the wool market operating actively at better prices, the demand from the live-stock market being well maintained with resultant higher prices, and with the hide and sheep-skin markets showing good activity. The bond market has also shown a steadily rising tendency. These improved business conditions are reflected in the clearing house figures, which for the first three months of the year were 30 per cent higher than the corresponding figure of last year. Actually the average monthly clearing house returns are over 31 per cent above the average for 1929.

GOVERNMENT FINANCES

Recently the Ministry of Finance issued a statement of the financial position of the Government at the end of 1935 which shows a most satisfactory improvement. The budget surplus for the year is finally established at slightly over 10,000,000 pesos, or about 12 per cent of the estimated expenditure for the year. This surplus was brought about by expenditure falling short of the estimate by about 3,000,000 pesos and increased revenues making up the balance. About 4,000,000 pesos of this surplus is being set aside as a reserve fund against any unforeseen budget deficit for 1936, the balance being applied to cover increased expenditure occasioned by the restoration of salary reductions and losses in revenue by the lowering of some taxes in the new budget.

The new budget provides for revenue of about 80,000,000 pesos, which is slightly in excess of the estimated expenditure. This figure is about 3,000,000 pesos less than the previous year's estimates. As usual, the bulk of the revenue is based on customs duties from both imports and exports that provide for about 25 per cent of the total. Internal taxes on sugar, rice, kerosene, tobaccos, and other products of general consumption provide for about 10 per cent, the balance of the revenue being allotted to miscellaneous taxes of less individual importance.

Revenue from the customs house, which includes many indirect taxes in addition to the regular customs duties, for the first two months of this year was nearly 715,000 pesos over the revenue for the corresponding period of last year. The revenue under this heading is budgeted for about 45 per cent of the total and was fixed at about the actual figure collected for 1935, so that the increase is a net gain for the treasury.

At the end of 1935 the public debt stood at 302,688,000 pesos, which was a decrease of nearly 12,000,000 pesos for the year. New issues amounted to 13,725,000 pesos, and redemptions to 24,642,000 pesos. Of the total debt, the external amount outstanding remained practically unchanged, the reduction being effected in the internal issues. Total debt services amounted to 16,142,000 pesos, 6,276,000 pesos of which was paid abroad in interest.

EXPORTS

The export trade of Uruguay is the main source of wealth to the country, and this trade is extraordinarily concentrated in wool and meat shipments. Thus for 1934 and 1935 meat products accounted for 26·4 per cent of total shipments by value, and wool for 34·2 per cent, hides and grains being the only other large groups with 13·2 and 9·8 per cent respectively—that is meat, hides, wool, and grains account for 83·6 per cent of Uruguay's total exports.

Exports for 1935 totalled 95,357,000 pesos as against 69,773,000 pesos in 1934 and 66,638,000 pesos in 1933. The extraordinary increase in 1935 should, however, be considered as a more gradual improvement in exports spread over 1934 and 1935, since the wool exports from the clip beginning October 1, 1934, were later than usual, with the result that the 1935 figures really include the bulk of two seasons' wool exports. Over a number of years the heaviest wool shipments have taken place from November to February, but in November and December of 1934 exports were only moderate, the movement being spread more evenly from December to July inclusive.

Official statistics are only available for the month of January, which show an increase of 20·9 per cent to 11,394,000 pesos compared with the same month last year. Wool shipments this season have, moreover, been well maintained and the bulk of the clip has already been shipped at satisfactory prices. From October 1, 1935, to May 7, 1936, 88,788 bales (450-460 kilograms average) have been exported as compared with 64,166 bales for the same period last year.

Furthermore, the export trade this year has been stimulated by somewhat heavier wheat shipments, no doubt assisted by the higher prices demanded for the Argentine grain. Total shipments up to the end of March amounted to 700,000 bushels.

IMPORTS AND EXCHANGE CONTROL

The upward trend in exports was not followed by imports, which showed a decrease to 59,959,000 pesos in 1935 as against 62,712,000 pesos in 1934 and 63,790,000 pesos in 1933. In comparing these figures with exports, it is necessary to take into account that the imports are artificial figures based on customs appraisal values, whereas exports represent market values.

The import trade then shows no signs of improvement, and in the lack of any relief from the exchange restrictions or from the excessive surtaxes on customs duties to cover exchange depreciation, it is difficult to foresee any marked betterment in the near future. Naturally the greatly improved financial position of the Government and generally better internal conditions, coupled with higher exports, will increase purchasing power, but imports are so burdened with restrictions that the benefits from such favourable trends will only be passed on to the import market in a restricted form.

IMPORT QUOTAS

Following the new system established about a year ago, quotas of imports are issued each quarter for various countries. These quotas are based on the purchases made by these countries from Uruguay, so that, in theory, any balances of trade unfavourable to Uruguay should be adjusted by the small quota given to such countries.

Except for a few articles such as newsprint, official exchange is not available to any country, but generally free controlled exchange is granted for most articles up to the limit of the established quotas, essential articles having the first call on the amount available. Luxury or non-essential articles, and all goods from countries without a quota, must rely on the free market for their exchange.

For the first time in a year, Canada has been granted a quota. This was set at 200,000 French francs for the quarter ending June and is to be applied to imports of spare parts for agricultural machinery.

Since the beginning of the year the rates of exchange on all markets have shown little fluctuation, except in January when the supply of export bills exceeded the demand, causing an appreciable rise in the value of the peso on both the free and free controlled markets. Present rates are as follows in terms of pesos per United States dollar: official, 1·26; free controlled, 1·95; free, 2·12.

SPREAD BETWEEN FREE AND CONTROLLED EXCHANGE MARKETS

It will be observed that the spread between the free controlled and free markets is about 8·7 per cent, but to this inequality of competition between imports based on the controlled rate and those on the free rate must be added the higher duty surtax paid by the latter. For some time all duties have been subject to a surtax based on 25 per cent of the gold value or the equivalent in pesos of the duties in compensation for the depreciation in the value of the peso.

This calculation is made by using different rates of exchange depending on the rate at which the import permit is issued. At the moment the surtax on goods payable at controlled exchange works out at about 48·5 per cent of the duties, while imports at free exchange must pay a surtax of 67·5 per cent.

AGRICULTURE

Conditions of the pastures are good owing to plentiful rains during the period. Little disease is reported among the herds, although the sheep were adversely affected in January by excess pasture. Locust damage has been reported from some districts, but the pest has not been unusually severe. Official estimates of the current crops show substantial increases over last year in all but linseed, where the production is only slightly less than last year.

The following are the estimates compared with the 1935 figures in parentheses: wheat, 12,850,000 bushels (10,680,000); linseed, 3,354,000 bushels (3,400,000); oats, 3,770,000 bushels (2,091,000); barley, 452,000 bushels (308,500).

Uruguay's internal consumption of wheat for milling and seed is estimated at about 10,690,000 bushels, leaving 2,940,000 bushels for export, when last year's carryover is added to the balance. Private estimates, however, place the exportable surplus at nearly double this figure.

NEW GERMAN BARTER REGULATIONS

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Hamburg, June 3, 1936.—A report on the regulations governing barter trade with Germany was published in *Commercial Intelligence Journal* No. 1670 (February 1, 1936). The situation outlined therein, which has persisted until recently, has now been slightly altered by the issue of new regulations dated May 14. These provide for a slight relaxation in the administration of the regulations, the various supervising boards having been given greater individual authority in the issuance of permits although the extent to which they may do so is still limited. The result of this change will, however, enable import and export firms to arrange barter transactions with considerably less delay than has previously been experienced.

The lists of commodities accompanying the regulations and with which they are concerned have also been subject to amendment. Only one of these lists is of interest to Canada—e.g., that of "essentials" which may be imported on a 1 : 1 barter basis. The other lists are of goods which may not, under any circumstances, be exported under barter or Aski schemes or those which may be so exported to certain countries only (Canada not being included).

Additions to the list of "essentials" include Douglas fir logs, hewn and rough sawn lumber; dressed sheep and lamb's leather, not chamoyed, for further manufacture; aluminium in sheets, turpentine and hard resins, hog lard, uranium salts, and miscellaneous raw animal substances for use in manufacturing processes.

There have been no alterations in the previously existing ratio applicable to barter business in non-essential commodities. This remains at 1 : 3.

For reference purposes there is appended hereto a list of the commodities of possible interest to Canadian exporters which may now be bartered at a ratio of 1 : 1. Recent additions to this list are marked with an asterisk (*), while it is also to be noted that commodities which are not produced in or customarily exported from Canada have not been included.

LIST OF COMMODITIES REFERRED TO ABOVE

- *Douglas fir logs, hewn and rough sawn lumber.
- Sheep's wool, raw or washed, combed, dyed, etc.
- Cotton, dyed, carded, etc., also cotton waste.
- Hides and skins for the manufacture of leather.
- *Dressed sheep and lamb's leather, not chamoyed, for further manufacture.
- Ores, concentrates, etc., with the exception of copper-free pyrites.
- Gold and platinum.
- Silver.
- Special types of crude iron—e.g. vanadium, titanium, etc.
- Iron, old and waste.
- Aluminium, crude, waste, etc.
- *Aluminium in sheets.
- Crude lead.
- Crude zinc.
- Nickel.
- Copper and alloys.
- Ferro-chromium, -wolfram, -titanium, -molybdenum alloyed to 20 per cent or over.
- *Turpentine and hard resins, including Canada balsam.
- *Hog lard.
- Premier jus.
- Tallow, grease.
- Fish and whale oils.
- Miscellaneous animal fats.
- Butter.
- Radium concentrates.
- Carbon black.
- *Uranium salts.
- Asbestos.
- Mica.
- Crude drugs.
- Buckwheat.
- *Ox-galls and raw animal substances for manufacturing purposes.

TARIFF CHANGES AND CUSTOMS REGULATIONS

United Kingdom Decreases Tariff on Osseine

The United Kingdom, under the Additional Import Duties (No. 11) Order, 1936, removed, as from May 28, the "additional duty" chargeable on imported osseine. The effect of the change is to make this product subject only to the basic rate of the Import Duties Act, namely, 10 per cent ad valorem. The duty prior to May 28 (basic rate plus "additional duty") was 10s. 6d. per cwt., or 25 per cent ad valorem, whichever would yield the greater amount of duty.

Osseine the product of Canada is guaranteed duty-free entry under the terms of the Canada-United Kingdom Trade Agreement of 1932.

Belgian Import Duty on Oats

A Belgian royal decree, effective May 18, reduces to 10 francs per 100 kilograms (15 cents per 100 pounds) gross weight the import duty on oats for the manufacture of rolled oats, up to an annual quota of 2,500 metric tons. The rate otherwise is 24.15 francs per 100 kilograms.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 15

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending June 15, 1936, with the official bank rate. Quotations for the week ending June 8, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 8	Nominal Quotations in Montreal Week ending June 15	Official Bank Rate
Austria	Schilling	.1407	\$.1882	\$.1879	3½
Belgium	Belga	.1001	.1697	.1694	2
Bulgaria	Lev	.0072	.0129	.0129	6
Czechoslovakia	Krone	.0296	.0416	.0414	3
Denmark	Krone	.2680	.2238	.2248	3½
Finland	Markka	.0252	.0221	.0221	4
France	Franc	.0392	.0662	.0659	6
Germany	Reichsmark	.2382	.4042	.4036	4
Great Britain	Pound	4.8666	5.0131	5.0375	2
Greece	Drachma	.0130	.0094	.0093	7
Holland	Guilder	.4020	.6787	.6773	4½
Hungary	Pengo	.1749	.2956	.2953	4
Italy	Lira	.0526	.0789	.0788	4½
Jugo-Slavia	Dinar	.0176	.0230	.0229	5
Norway	Krone	.2680	.2519	.2531	3½
Portugal	Escudo	.0442	.0455	.0455	4½
Roumania	Leu	.0060	.0074	.0074	4½
Spain	Peseta	.1930	.1371	.1367	5
Sweden	Krona	.2680	.2585	.2597	2½
Switzerland	Franc	.1930	.3248	.3238	3½
United States	Dollar	1.0000	1.0031	1.0018	1½
Poland	Zloty	.1122	.1887	.1882	—
Argentina	Peso (Paper)	.4245	.3336	.3354	—
Brazil	Milreis (Paper)	.1196	.0864	.0866	—
Chile	Peso	.1217	.0508	.0507	4½
Colombia	Peso	.9733	.5711	.5701	4
Mexico	Peso	.4985	.2786	.2781	4-5
Peru	Sol	.2800	.2497	.2492	6
Venezuela	Bolivar	.1930	.2560	.2555	—
Uruguay	Peso	1.0342	.7994	.7984	—
China (Shanghai)	Dollar	.....	.2994	.2998	—
Cuba	Peso	1.0000	1.0027	1.0009	—
Hongkong	Dollar	.....	.3245	.3235	—
India	Rupee	.3650	.3781	.3802	3
Japan	Yen	.4985	.2940	.2950	3.29
Java	Guilder	.4020	.6821	.6808	4
Siam	Baht (Tical)	.4424	.4569	.4620	—
Straits Settlements	Dollar	.5678	.5868	.5903	—
South Africa	Pound	4.8666	5.0068	5.0312	—
British Guiana	Dollar	1.0138	1.0444	1.0494	—
Jamaica	Pound	4.8666	5.0231	5.0475	—
Other British West Indies	Dollar	1.0138	1.0444	1.0494	—
Martinique	Franc	.0392	.0662	.0659	—
Guadeloupe	Franc	.0392	.0662	.0659	—
Australia	Pound	4.8666	4.0105	4.0300	—
Egypt	Pound (100 Piastres)	4.9431	5.1390	5.1700	—
New Zealand	Pound	4.8666	4.0425	4.0625	—
Argentina	Free	Free	.2779	.2785	—
Brazil	Free	Free	.0562	.0571	—
Chile	Free	Free	.0408	.0407	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

Rates on the French franc recovered from a sharp slump in the second week of June when a large short position was forced to cover commitments. Apparently the franc had been sold short on the assumption that the accession of the new Government would be followed by devaluation. When this temporary support was removed, francs again declined and gold exports were resumed. The premium on New York funds at Montreal fell fractionally, closing the week at 0.22 per cent, while sterling was slightly higher at \$5.0385.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Flour.....	389	Guayaquil, Ecuador.....	Agency.
Miscellaneous—			
Wheat Screenings and Kindred Products.	390	Glasgow, Scotland.....	Purchase.
Wheat Feeds — Bran, Shorts, Middlings, etc.	391-2	Glasgow, Scotland.....	Purchase.
Coarse Grains—Oats, Barley, etc.	393	Glasgow, Scotland.....	Purchase.
Soya Bean Meal for Cattle Feed.	394	Glasgow, Scotland.....	Purchase.
Powdered Blueing for Laundry Purposes.	395	Batavia, Java.....	Purchase and Agency.
Glazed Transparent Wrapping Paper.	396	Dublin, Irish Free State...	Agency.
Wrapping Paper.....	397	S. Pedro de Macoris, Dominican Republic.	Purchase.
Envelope Paper.....	398	Singapore, Straits Settlements.	Purchase and Agency.
Maple and Birch Flooring.....	399	Glasgow, Scotland.....	Agency.
Plywood.....	400	Glasgow, Scotland.....	Agency.
Domestic Articles — Electrical Equipment, Kitchenware and Wood Manufactures.	401	Glasgow, Scotland.....	Agency.
Wooden Toilet Seats.....	402	Bristol, England.....	Purchase.
Folding Camp Beds.....	403	Cape Town, South Africa..	Agency.
Coloured Awning Canvas.....	404	Durban, South Africa.....	Agency.
Calf Hide (Light Weight, Wet Salted).	405	Shanghai, China.....	Agency.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—<i>Concluded</i>			
Pickled Sheepskin Pelts (for the manufacture of Roller Skins as used by Cotton Mills.	406	Shanghai, China.....	Agency.
Cresol.....	407	Osaka, Japan.....	Purchase.
Aluminium Powder.....	408	Batavia, Java.....	Purchase and Agency.
Abrasives.....	409	Colon, Panama.....	Purchase.
Cutlery.....	410	Colon, Panama.....	Purchase.
General Hardware.....	411	Colon, Panama.....	Purchase.
Fishing Tackle.....	412	Colon, Panama.....	Purchase.
Galvanized Iron Wire for Telephone Communication.	413	Shanghai, China.....	Purchase and Agency.
Electrical Wire, Sockets, Plugs and Fittings.	414	Colon, Panama.....	Purchase.
Electrical Wire and Cables; Switches, Gears, Glass Lampshades, etc.	415	Shanghai, China.....	Purchase and Agency.
Open Hearth Steel Billets.....	416	Shanghai, China.....	Purchase.
Pipe and Pipe Fittings.....	417	Shanghai, China.....	Agency.
Electrically Driven Shoemakers' Machines.	418	Malang, Java.....	Purchase and Agency.
Service Station Equipment.....	419	Batavia, Java.....	Purchase and Agency.
Marble Chips.....	420	Singapore, Straits Settlements.	Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of Atholl, June 26; Duchess of York, July 3; Duchess of Richmond, July 10; Duchess of Bedford, July 17; Montclare, July 25—all Canadian Pacific; Andania, July 3; Antonia, July 15—both Cunard-White Star Line.

To London.—Beaverburn, June 26; Beaverbrae, July 3; Beaverhill, July 10; Beaverford, July 17; Beaverdale, July 24—all Canadian Pacific; Aurania, June 26; Ausonia, July 3; Alania, July 10; Ascania, July 15—all Cunard-White Star Line.

To Manchester.—Manchester Port, June 25; Manchester Producer, July 2; Manchester Commerce, July 9; Manchester Division, July 16; Manchester Regiment, July 23; Manchester Citizen, July 30—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, June 30; Dakotian, July 17—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montrose, June 27; Montclare, July 4—both Canadian Pacific.

To Cardiff, Bristol and Swansea.—Boston City, July 9; New York City, July 27—both Bristol City Line.

To Glasgow.—Athenia, June 27; Sulairia, July 3; Letitia, July 10; Airthria, July 17—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnesk (calls at Dundee), June 25; Cairnglen, July 9; Cairnross (calls at Dundee), July 23—all Cairn-Thomson Line.

To Aberdeen and Hull.—Kyno, Ellerman's Wilson Line, July 9.

To Dublin and Belfast.—Lurigethan, June 28; Fanad Head, July 5; Kenbane Head, July 23—all Head Line (cargo accepted for Londonderry and Cork).

To Antwerp and Havre.—Beaverburn, June 26; Beaverbrae, July 3; Beaverhill, July 10; Montrose, July 16; Montcalm, July 16; Beaverdale, July 24—all Canadian Pacific (do not call at Havre); Kings County, June 25; Grey County, July 8; Hada County, July 22—all County Line.

To Rotterdam.—Alaska, June 26; Brant County, July 8—both County Line.

To Hamburg.—Kellerwald (calls at Bremen), Hamburg-America Line, July 10; Beaverford, Canadian Pacific, July 17.

To Copenhagen, Gothenburg and Baltic Ports.—Braheholm, July 8; Korsholm, July 29—both Swedish-America-Mexico Line.

- To Norwegian Ports.*—Topdalsfjord, Norwegian-America Line, June 22.
- To Balboa, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.*—Motomar, Gardiaz Line, July 17.
- To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.*—Capo Lena, June 30; Capo Olmo, July 28—both Capo Line.
- To Marseilles, Genoa, Barcelona and Spanish Ports.*—Sonja, Canada-Mediterraneo Line, July 12.
- To St. John's, Nfld., and St. Pierre-Miquelon.*—Belle Isle, Newfoundland-Canada SS. Co., June 19; Delia (calls at Trinity and Conception Bay ports), June 25; Maisol (does not call at St. Pierre), July 8—both Shaw SS. Co. Ltd.; Belle Isle, Newfoundland-Canada SS. Co., July 3 and 17.
- To Cornerbrook, Nfld.*—North Voyageur, June 27; New Northland, July 6—both Clarke SS. Co.
- To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.*—Colborne, June 25; Chomedy, July 9; Cornwallis, July 23—all Canadian National.
- To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).*—Lady Somers, June 24; Cathcart (does not call at Hamilton or Nassau), July 3; Lady Rodney, July 8—all Canadian National.
- To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Risanger, June 30; a steamer, July 15—both Ocean Dominion SS. Corp.
- To Brisbane, Sydney, Melbourne and Adelaide.*—Canadian Constructor, July 24; Canadian Cruiser, Aug. 28—both Montreal Australia New Zealand Line.
- To Auckland, Wellington, Lyttelton, Dunedin and Bluff.*—Canadian Victor, July 24; Canadian Highlander, Aug. 21—both Montreal Australia New Zealand Line.
- To Manila, Hongkong, Shanghai, Yokohama and Dairen.*—City of Derby, Canada Far East Line, July 6.
- To Yokohama, Kobe and Osaka.*—Kongo Maru, Kokusai Line, July 16.
- To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.*—Matheran, Elder Dempster Lines Ltd., June 27.
- To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.*—City of Birmingham, July 10; City of Evansville, July 26—both Ellerman & Bucknall SS. Co.
- To Colombia, Ecuador, Peru and Chile.*—A steamer, Canadian National, monthly.
- To Santos and Buenos Aires.*—A steamer, July 4; Uganda, July 18—both International Freighting Corporation; Tacoma (calls at Montevideo but not at Santos), Canada-South America Line, July 8.

From Quebec

- To Southampton.*—Empress of Britain, Canadian Pacific, June 27 and July 11.

From Saint John

- To Manchester.*—Manchester Brigade, June 27; Manchester Exporter, July 25—both Manchester Line.
- To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, June 24; Lady Hawkins, July 8; Lady Drake, July 22—all Canadian National.
- To Kingston and Jamaican Outports.*—Crawford Ellis, June 26; Harboe Jensen, July 3—both United Fruit Line.

From Halifax

- To Liverpool.*—Newfoundland, June 30; Nova Scotia, July 16—both Furness Line.
- To London and Hamburg.*—Capulin (calls at Hull, Leith and Dundee), American Hampton Roads, July 4.
- To Aberdeen, Newcastle and Hull.*—Trentino, July 9; Cavallo, July 28—both Ellerman's Wilson Line.
- To Copenhagen and Baltic Ports.*—A steamer (calls at Gdynia), Gdynia-America Line, July.
- To St. John's, Nfld., and St. Pierre-Miquelon.*—Fort Amherst, Furness-Red Cross Line, June 22; Magnhild, Newfoundland-Canada SS. Ltd., June 29; Newfoundland (does not call at St. Pierre), Furness Line, June 30; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., July 1.
- To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Lady Nelson, July 2; Lady Hawkins, July 16; Lady Drake, July 30—all Canadian National.
- To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.*—Risanger, July 5; a steamer, July 20—both Ocean Dominion Line.

To Santiago (Cuba) and Kingston (Jamaica).—Ciss, July 1; Kirsten B., July 15—both Pickford & Black Ltd.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Colborne, June 29; Chomedy, July 13; Cornwallis, July 27—all Canadian National.

To Kingston (Jamaica) and Belize (British Honduras).—Cavalier, June 22; Cathcart, July 6—both Canadian National.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silverwalnut, July 4; Malayan Prince, July 18—both Silver-Prince Line.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, July.

From Vancouver

To Yokohama, Kobe and Osaka.—Hiye Maru, June 27; Heian Maru, July 18; Hikawa Maru, Aug. 11—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Canada (calls Honolulu), June 27; Empress of Russia (calls Nagasaki), July 11; Empress of Japan (calls Honolulu), July 25; Empress of Asia (calls Nagasaki), Aug. 8—all Canadian Pacific; Tyndareus, June 28; Ixion, July 26—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—A steamer, Silver-Java Line, July.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, July 15; Niagara, Aug. 12—Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Bear (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., July 18.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Limerick, Canadian-Australasian Line, July 14.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., July.

To Sydney, Melbourne and Adelaide.—Harborough, June-July; a steamer, July; Hartington, July-August—all Australian Freight Line.

To London, Liverpool and Rotterdam.—Narenta (calls at Glasgow), June 27; Dinteldyk, July 11; Drechttdyk (calls at Glasgow), July 25—all Holland-America Line.

To London, Liverpool and Cardiff.—A steamer, Reardon Smith Line, July.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—A steamer, East Asiatic Co., July.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., July.

To Scandinavian Ports.—Buenos Aires, Aug. 6; Canada, Aug. 18—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—A steamer, Empire Shipping Co., July.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Iddelsleigh, Canadian Transport Co., June 25.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—A steamer, Silver-Java Pacific Line, July.

To Cape Town, Algoa Bay, East London, Durban, and Lourenco Marques.—A steamer, South African Dispatch Line, August.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—Hoyanger, June 22; a steamer, July 22—both Empire Shipping Co.

To Puerto Colombia, Kingston and Tampico.—Point Lobos, Gulf Pacific Mail Line Ltd., June 26.

From New Westminster

To London and Liverpool.—Vancouver City, Reardon Smith Line, June 22; Sam Bakke (calls at Glasgow, Belfast and Manchester but not at London), Canada Shipping Co., June 29; Narenta (calls at Glasgow, Southampton and Rotterdam), Royal Mail Lines Ltd., June 29; Pacific Reliance (calls at Glasgow and Manchester), Furness (Pacific) Line Ltd., July 6; Gaelic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line Ltd., July 6; Parthenia (calls at Glasgow), Balfour Guthrie & Co., July 8; Memphis City (calls at Avonmouth), B. W. Greer & Son Ltd., July 14.

To United Kingdom Ports.—Tacoma Star, American Mail Line Ltd., July 3.

To Rotterdam, Antwerp and Havre.—Trondanger, Canada Shipping Co., July 4.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

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London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

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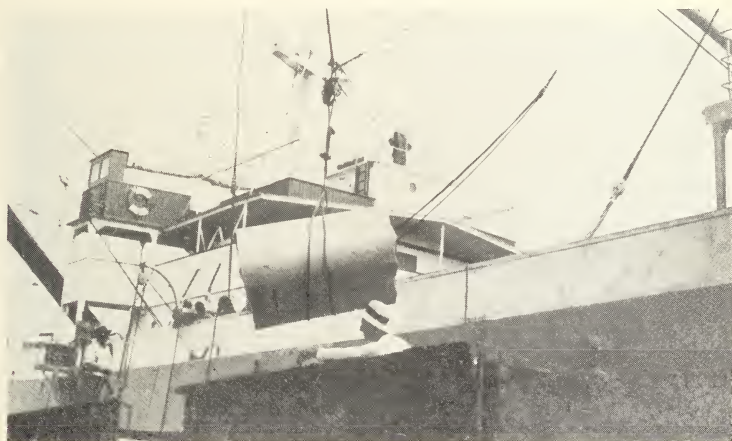
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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LIV

Ottawa, June 27, 1936

No. 1691



Unloading Canadian Newsprint at Lima, Peru.

ISSUED BY AUTHORITY OF
THE HON. W. D. EULER, MINISTER OF TRADE AND COMMERCE
JAMES G. PARMELEE, DEPUTY MINISTER

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COMMERCIAL INTELLIGENCE JOURNAL

Issued Every Saturday by the Department of Trade and Commerce

PUBLISHED in English and French. Subscription price for either edition: \$1 per annum in Canada (single copies 5 cents each); \$3.50 outside the Dominion (single copies 10 cents each). Remittances, which may be made by Post Office or Express Orders, or Drafts, or Cheques, payable at par in Ottawa, should be addressed to the King's Printer, Government Printing Bureau, Ottawa.

Vol. LIV

Ottawa, June 27, 1936

No. 1691

TRANSFER OF MIDDLE EAST BRANCH OFFICE

The Middle East branch office of the Commercial Intelligence Service of the Department of Trade and Commerce at Batavia, Java, has been transferred to the main office at Singapore, Straits Settlements, which will now include Netherlands India as well as British Malaya within its territory. All correspondence should be addressed to the Acting Trade Commissioner, P.O. Box 133, Singapore, Straits Settlements.

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are at present on tour: Mr. V. E. Duclos, Hongkong (whose territory includes South China, the Philippines, and Indo-China); Mr. L. M. Cosgrave, Melbourne, Australia; and Mr. M. B. Palmer, Mexico City (whose territory includes Guatemala, Honduras, and Salvador). Following are their itineraries as at present arranged:—

Mr. Duclos

Montreal and district (including Granby, Drummondville and St. Johns) June 29 to July 11
Brockville July 13
Gananoque July 13
Belleville, Picton.. . . July 14
Port Hope July 15
Oshawa July 15

Toronto and district (incl. Huntsville, Orangeville, Mimico, Oakville, Orillia, Newmarket, Peterborough, New Toronto, Weston and Copper Cliff) July 16 to 31

Mr. Cosgrave

Montreal, Valleyfield, Granby, St. Hyacinthe. June 29 to July 15
Sackville.. . . . July 16
St. John.. . . . July 17
Halifax July 20 and 21
Montreal July 23 and 24

Ottawa, Renfrew, Pembroke, Carleton Place, Cornwall.. . . . July 27 to 29
Brockville, Morrisburg .. July 30
Oshawa July 31

Mr. Palmer

Guelph June 29
Kitchener, Waterloo.. . July 2
Stratford July 3
Preston, Galt July 6 and 7
Hamilton July 8 and 9
St. Catharines, Welland. July 10

Brantford July 13
Woodstock, Ingersoll. . . July 14
London July 15 and 16
Watford.. . . . July 17
Walkerville.. . . . July 20
Winnipeg July 23 and 24

Firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto and Winnipeg, with the office of the Canadian Manufacturers Association; and for the other cities, with the respective Board of Trade or Chamber of Commerce.

TIMBER INDUSTRY IN NEW ZEALAND

H. L. E. PRIESTMAN, ASSISTANT TRADE COMMISSIONER

Auckland, May 8, 1936.—Recent statistics regarding New Zealand sawmills and sash and door factories show that in the production year 1934-35 the industry had largely emerged from the depressed conditions existing in several preceding years.

PRODUCTION

There are 438 factories employing 6,325 persons, compared with 422 firms in 1933-34 with 5,323 employees, and 355 establishments employing 4,787 persons in 1932-33. Of the 1934-35 total, 357 mills were engaged in the production of rough-sawn timber, and their output was 243,800,000 feet board measure, the highest figure since 1929-30. Over 41 per cent of the production is credited to the Auckland provincial district, where the largest mills operate.

The main species of timber sawn are shown below, and also the output of each kind for the past three years:—

	1932-33 In Million Feet Board Measure	1933-34	1934-35
Kauri	5.4	4.9	5.5
Rimu	76.1	96.1	125.4
Kahikatea	47.9	47.9	52.2
Matai	8.1	19.7	13.8
Totara	6.3	7.1	8.8
New Zealand beech	5.7	6.9	7.7
Pinus radiata (<i>insignis</i>)	14.6	21.4	25.9
Other, and unspecified	1.7	2.2	4.0
Total	166.2	197.6	243.7

The rapid increase during the last three years in the cut of exotic timber, in the form of pinus radiata (*insignis*) is noticeable, and further increase in the level of over 25,000,000 feet board measure attained is limited solely by the lack of available supplies of mature trees. It is safe to say that over 80 per cent of all fruit and cheese exports from New Zealand are now shipped in containers made from exotic-pine timber.

FOREST UTILIZATION

A feature of New Zealand forest utilization is the development since 1898 of State plantations of some 406,000 acres of exotic trees, mainly larches, pines and eucalypts of various kinds, of which 346,000 acres were planted in the decade 1925-35. There exists also a system of commercial afforestation commenced in 1923, with 272,000 acres planted, likewise in exotics, with pinus radiata (*insignis*) predominating on 235,000 acres.

These afforestation companies are generally organized on a basis of contract with each investor who, in consideration of paying a prescribed amount in cash, receives an undertaking to have conveyed to him at the end of a given term a certain area of land duly planted with trees. Few of these plantations have arrived at a stage of development where the utilization of the mature timber must be considered, or where the profit or otherwise to the investor can be realized, but the existence of these state and commercially afforested areas must at some future time have a bearing on the demand for imported timber in New Zealand.

IMPORTS AND EXPORTS OF TIMBER

The quantities and values of timber imported and exported during the last six calendar years were as follows:—

Year	Imports ¹		Exports	
	Quantity in M Feet B.M.	Value £ (N.Z.)	Quantity in M Feet B.M.	Value £ (N.Z.)
1930..	59,324	718,484	26,676	300,582
1931..	15,888	183,479	17,532	172,633
1932..	6,982	83,445	27,286	253,883
1933..	10,276	125,673	25,829	237,503
1934..	10,707	130,600	34,530	320,527
1935..	19,270	254,028	39,574	364,359

¹ The import figures of quantity and value are exclusive of various items, mainly sleepers (railroad ties), not measured in feet. Imports of sleepers and sundry small items in 1934 were valued at £83,835, and in 1935 at £149,989, in addition to the amounts recorded above.

VARIETIES EXPORTED

The exports of timber from New Zealand in 1935 consisted mainly of rough-sawn indigenous timbers, as shown in the following table:—

	Quantity M Sup. Ft.	Value £ (N.Z.)
Rough-sawn—		
Rimu	9,007	69,820
Kahikatea (white pine)	22,697	214,016
Kauri	586	16,360
Beechwood.. . . .	2,756	29,350
Matai	1,932	15,833
Other kinds	935	7,401
Sawn-dressed—		
Kauri.. . . .	39	1,684
Timber for cases	1,617	9,887
Logs . . . . .	.....	8
	39,569	364,359

The destination of the exports was almost wholly to Australia, where New Zealand timbers enjoy favourably reciprocal customs tariff treatment. All the timbers mentioned, except beech, are classified as softwoods.

The beech is mainly *Nothofagus Menziesii*, and its use as a timber for motor-car body construction and other purposes has been developed recently to some degree. Shipments of 217,000 feet of beech (valued at £2,258) out of the above total of 2,756,000 feet were made to the United Kingdom, the balance going to Australia. All the exports of rough-sawn Kahikatea (New Zealand white pine), 22,697,000 feet, went to Australia. It is the wood pre-eminently suitable for butter containers, as it is inodorous. Exports of rough-sawn kauri include 178,000 feet (£5,496) to the United Kingdom, and 403,000 feet to Australia. Of the rimu, 8,998,000 feet went to Australia, and 9,000 feet to the United Kingdom. Some 94,000 feet of matai valued at £745 was shipped to the United Kingdom; the balance of 1,838,000 feet went to Australia.

All the sawn-dressed kauri, 39,000 feet (£1,684), was for various Pacific islands. Most of the timber for fruit cases was for similar destinations, probably mainly exported to Western Samoa for banana crates, as that territory is administered under mandate by New Zealand, and shipping connections from New Zealand are available to Western Samoa and also to the Kingdom of Tonga, whence part of New Zealand's tropical fruit requirements is drawn. The total shipped to Pacific islands was 1,503,000 feet (£8,304), and the balance of 113,000 feet (£1,583) went to Australia.

It is also probable that the timber used for cases was mainly *pinus insignis*, as that formed the major export of the same commodity in previous years to the Pacific islands mentioned. The lack of a shipping connection from Canada to these islands probably prevents Canadian firms from catering to the fruit case trade existing in those islands, whereas they can do so to islands such as the Fiji group on the direct sea route from Vancouver.

The total exports of timber from New Zealand of 39,574,000 feet, valued at £364,359, exceed the imports under consideration of 19,270,000 feet, valued at £254,028.

IMPORTS

From 1921 to 1931 the quantity of timber imported each year into New Zealand was in excess of the timber exports, but since 1931 the reverse situation has existed. An adjusted estimate from official sources for the 1935 imports, including all timber items (such as railroad ties, etc.), reduced to a measurement basis, shows that 31,221,000 feet board measure valued at £398,960 was imported, compared with exports of 39,574,000 feet, valued at £364,359, shown in the preceding table. In consequence, the trade balance is regarded as reasonably satisfactory. Considering the position since 1921, annual imports are still far below the peak of 82,000,000 feet recorded in 1925, whereas exports are much nearer the peak of 52,000,000 feet recorded in the same year. This appears to be a reflection of the slack demand for imported lumber for building purposes, because of a series of years of depression, coupled with substantial customs duties on most of those species of timber which Canada produces.

The export of timber from New Zealand has been fostered to some degree by the demand in Australia for classes of timber for which only a limited demand exists in New Zealand, as is the case in the trade in matai timber. The reciprocal trade between New Zealand and Australia is benefited by customs tariff preferences as well as by the shortage in New Zealand of hardwoods, which are available from Australia, while Australia lacks suitable softwoods which New Zealand produces in excess of domestic requirements. There is, however, a demand in New Zealand for certain other timbers which have been found eminently suitable for building purposes and for which Canada is a principal country of supply.

SUMMARY OF IMPORTS BY VARIETIES

The following summary of imports shows the chief classes of timber imported into New Zealand in the calendar year 1935 (the values shown represent the current domestic values in the countries of export, plus 10 per cent, expressed in terms of New Zealand currency):—

	M Sup. Ft.	£ (N.Z.)
Logs and poles—		
Hardwood	3,371.9	46,494
Other kinds	3.2	265
Rough-sawn or rough-hewn—		
Ash, hickory, etc.	145.8	5,858
Cedar	141.6	1,731
Douglas fir—		
Large sizes	787.7	4,484
Small sizes	2,656.3	20,937
Hemlock	17.9	74
Ironbark and Australian hardwoods	8,084.2	110,971
Oak	1,550.3	24,753
Redwood	1,254.9	15,977
Spruce	0.8	38
Other kinds—		
Large sizes	37.4	2,016
Small sizes	55.1	2,059
Sawn dressed—		
Douglas fir	28.1	369
Spruce	0.3	69
Australian hardwoods	3.1	97
Other kinds	12.5	477
Timber—		
For butter boxes	666.1	13,164
Fruit cases	1.2	27
Cases, n.e.i.	451.4	4,168
Laths (15,518 bundles) . . . . .	.....	1,829
Palings, split (79,650 No.) . . . . .	.....	842
Shingles (9,025 bundles) . . . . .	.....	1,436
Shingles from Australia (7,200 No.) . . . . .	.....	32
	19,270.7	258,167
Sleepers (512,450 No.) . . . . .	.....	144,850
Total . . . . .	.....	403,017

It will be seen that over 11,000,000 feet of Australian hardwoods is included under "logs and poles, hardwood" (3,371,000 feet), and "rough-sawn or rough-hewn ironbark and other Australian hardwoods" (8,084,000 feet). This leaves for consideration about 8,000,000 feet of other species (which cover the kinds available to a greater or less degree from Canada), which were imported from all sources in 1935 to a value of £100,702. The last item in the table, sleepers (or railroad ties) of hardwood, to the number of 512,450, valued at £144,850, were imported wholly from Australia, and scaled about 12,000,000 feet. The imports of Australian hardwoods were largely in the form of poles, piles, crossarms, and heavy construction timbers. At present practically all the Australian hardwoods are essential to New Zealand, as durable timbers of requisite size and strength for the purpose for which the Australian hardwoods are used are unobtainable from the native forests, although the establishment of a wood-preserving industry may alter the position in years to come. The remaining 8,000,000 feet of timber imported consists principally, but not entirely, of timbers which are directly competitive with native timbers, and includes nearly 3,500,000 feet of Douglas fir, 1,250,000 feet of redwood, about 1,500,000 feet of Japanese oak, and 1,000,000 feet of box timbers, principally butter box shooks.

Much of the Douglas fir is imported in large sizes and long lengths, which it is not convenient to most New Zealand sawmillers to cut, and the timber imported during 1935 capable of replacement by native species is estimated to be not in excess of 5,000,000 feet.

In a previous table the sawn output of New Zealand timbers in 1934-35 was shown as 243,700,000 feet, so the effect of importations on the local industry should be relatively negligible.

COMPETITIVE POSITION OF DOMESTIC TIMBERS

The ability of some classes of imported timber to compete with New Zealand mills may be roughly gauged by a comparison of the estimated average selling price at the mill for rough-sawn timber. The total value of New Zealand production and the average value at the mill was estimated as below during the last six years:—

Year	Total Value £	Average Value per 100 Ft. B.M.			
		1,000 Ft. B.M.		1,000 Ft. B.M.	
		£	s. d.	£	s. d.
1929-30	2,533,888	17	11	8	19 2
1930-31	1,965,498	17	2	8	11 8
1931-32	1,171,505	15	2	7	11 8
1932-33	1,144,672	13	9	6	17 6
1933-34	1,357,880	13	9	6	17 6
1934-35	1,769,280	14	6	7	5 0

Attention is drawn to the fact that local prices are, in accordance with the custom of the trade in New Zealand, quoted for quantities of 100 feet.

AVERAGE COST OF IMPORTED ROUGH-SAWN WOODS

A comparison obtained by averaging the cost of some imported rough-sawn woods follows:—

	Average F.o.b. Price of Imports in 1935 per M Ft.
Ash, hickory, etc.	£36 12s.
Cedar	£11 3s.
Douglas fir, large	£ 5 4s.
Douglas fir, small	£ 7 3s.
Ironbark, etc. (Australian hardwoods)	£12 10s.
Oak	£14 10s.
Redwood	£11 12s.

As the average value at mill of rough-sawn timber in New Zealand in 1934-35 was equivalent to £7 5s. per M, it will be seen that aggregate costs of logging and sawing New Zealand timbers are in excess of the costs of placing Douglas fir f.o.b. Pacific coast ports.

DOUGLAS FIR IMPORTATION FOR RE-SAWING

A recent development in New Zealand was the importation of Douglas fir logs from Canada for re-sawing in this Dominion. A cargo stated to measure about 2,000,000 feet board measure arrived in Auckland in April, 1936. This followed a trial shipment of logs brought in about a year previously, and is in line with the practice existing in Australia, where large quantities of logs are imported from British Columbia.

It is not to be anticipated that all imports of timber will be replaced by logs, as there are only a limited number of mills which could handle them advantageously, and the question arises whether all the products can be profitably disposed of in this market, or whether it may not be more economical to import rough-sawn lumber in certain classes that are in demand. Another feature increasing the cost of production of rough-sawn timber in New Zealand, whether from imported logs or from the locally grown logs, is the wage-scale in effect, and the pressure of a proposal from timber mill workers that the manufacturing week be reduced to 40 hours, without reduction—and possibly with an increase—in the total weekly wage.

The imports of rough-sawn ash, hickory, lancewood, lignum vitae, etc., were 145,846 feet valued at £5,858, of which Canada supplied 2,765 feet valued at £224. The United States provided 64,534 feet (£2,358), and Lithuania 27,348 feet (£2,177).

Cedar imports were 141,655 feet valued at £1,731. Canada supplied 136,325 feet (£1,633), but the total imports have been disappointingly small for several years. In the meantime imports of redwood, wholly from the United States, have progressed from 461,000 feet (£5,830) in 1933 to 751,000 feet (£8,535) in 1934, followed by 1,254,918 feet (£15,977) in 1935: this material may be regarded as the chief competitor of cedar from Canada.

The situation as regards Douglas fir is affected by both the slackness in the building trade and the high landing costs, including customs duties, freights, and exchange, which make the local woods competitive in price to the New Zealand consumer, whether or not they are precisely what he requires for the purpose he has in mind.

CHANGES IN METHODS OF HOUSE CONSTRUCTION

Imports of timber for building are likewise affected to some degree by changes in method of house construction. In the past, most residences have been built of wood, and roofed with corrugated galvanized iron sheets, or with tiles. There is some swing towards exterior walls, partly of various types of reinforced building papers to which a cement coating is applied, thus eliminating some of the wood formerly used. In addition, the price of locally made building bricks has been reduced considerably from the high level formerly existing, and more brick construction is in evidence at present because the material is now more competitive with wood in price.

The roofing material is still confined to iron or tiles, as wood shingles are practically never used for roofing because of the higher fire-insurance rates. There is some small use of shingles for exterior covering of parts of walls, mainly for decorative effect.

Interior construction has also seen the lessened use of wood, by reason of its replacement with plaster centre wallboard, made locally, or by wood pulpboards, imported mainly from Canada and the United States. The demand for Douglas fir for particular purposes, such as beams in building construction or for masts of vessels, should continue to be unaffected in any ordinary circumstances. All the imports of rough-sawn Douglas fir in large sizes, 787,746 feet (£4,484), were of Canadian origin. Imports in small sizes, 2,656,339 feet (£20,937), were from Canada, with the exception of 52,153 feet (£693) from the United States.

A small amount of rough-sawn hemlock, 17,981 feet (£74) was imported from Canada. Rough-sawn oak was imported to the extent of 1,550,372 feet (£24,753), of which Japan supplied 1,498,598 feet (£23,405). Canada was not one of the sources of supply, which included Japan, the United States, Australia, and the United Kingdom.

EFFECT OF CUSTOMS DUTIES ON CERTAIN IMPORTS

Sawn-dressed Douglas fir was imported from Canada to the extent of 28,102 feet (£369). The customs duties on sawn-dressed timber of this kind are so high that although Canada receives preferential tariff treatment, there is seldom an occasion where the high landed cost warrants the import of sawn-dressed lumber. Exceptions may perhaps be made in the cases of spruce, probably for aeroplane stock, of which 379 feet valued at £69 was imported, almost all from Canada, and in timber for butter boxes. The latter was imported to the extent of 666,127 feet (£13,164), of which Sweden supplied 579,138 feet (£11,555), and Finland 86,956 feet (£1,608).

BUTTER-BOX SHOOKS

Canada did not supply any of the imported butter-box shooks. The qualities of the Kahikatea (New Zealand white pine) are so outstanding for butter boxes that only limited opportunities exist for imports, but the situation may change with the lessened available domestic supplies. Swedish shooks are required to be wax-impregnated before they may be used so as to prevent possibility of wood taint being imparted to the butter.

No source of supply of a competitive wood, the use of which will be sanctioned by the New Zealand Department of Agriculture for butter boxes, has been found in Western Canada, but it is believed that Eastern Canadian clear spruce would be found satisfactory, and investigations into prices, qualities and availability of that material are being conducted.

Although butter-box shooks are dutiable at the high rates for sawn-dressed lumber, the only import requirement is for boxes for export of New Zealand butter, and a full drawback of duty is granted upon exportation, so that the existing British preferential tariff is practically ineffective, and the standard of comparison between Canadian and foreign butter-box shooks is, roughly speaking, the c.i.f. prices of each, compared in turn with the domestic price of New Zealand made butter-box shooks, to which a preference is given in the ordinary course of events, because of their being more readily accessible to dairy factories from adjacent sources of supply.

BOX SHOOKS FOR FRUIT CASES

At one time Canada enjoyed a substantial share in the New Zealand market for box shooks for fruit cases and cheese crates used as containers for the export of New Zealand apples and cheese. Western hemlock from British Columbia was principally used. The development of local box-making from *pinus insignis* has substantially altered the situation, and imports of "sawn-dressed timber for cases, n.e.i." have decreased for some years.

However, in 1935 there was a substantial increase from almost negligible figures in 1934 to 451,488 feet (£4,168). Canada supplied 66,420 feet (£607), and Finland the remainder, 385,068 feet (£3,561). Here again the preference accorded to Canada is ineffective when the drawback of duty upon export of the cases is taken into consideration. The availability of supplies from abroad has little effect except to keep domestic box prices reasonably in line with overseas prices, but there may be opportunities from time to time for Canadian firms to quote.

LATHS, SHINGLES, AND RAILROAD TIES

Imports of laths were 15,518 bundles (£1,829), of which Canada supplied 13,497 bundles (£1,602), and the United States the remainder, 2,021 bundles (£227). There is not a great deal of lath and plaster construction, but Canada has enjoyed a good proportion of the available business in laths. Australia supplied 79,650 split palings valued at £842, and is the only country which has supplied this commodity for a number of years.

Shingles were imported to the extent of 9,025 bundles (£1,436), of which Canada provided 8,450 bundles (£1,327) and the United States the balance of 575 bundles (£109). This trade has increased because of somewhat more active building programs in the last two years. Other shingles from Australia are recorded by number. Imports were 7,200 shingles valued at £32.

Sleepers, or railroad ties, imported were all of Australian hardwood and numbered 512,450 sleepers valued at £144,850. Imports of rough-sawn or rough-hewn timber from Australia are free of duty under the New Zealand and Australian reciprocal tariff. The substantial preference on these items, the long-standing satisfactory arrangements with their Australian connections of the principal users of sleepers, and the specification of Australian hardwood for sleepers, give little hope of Canadian firms penetrating this market at the present time.

While the statistics under discussion do not include veneers and plywood, there are quite substantial imports of these commodities. Canada's share has been extremely small, and those in the trade believe there should be more interest displayed in the New Zealand market by Canadian firms in a position to supply veneers and plywoods to compete with Australia, the United States, Russia, and Japan, whence most of the imports into New Zealand are drawn.

PROSPECTS FOR INCREASED TRADE

It is recognized that the New Zealand imports of lumber from Canada have been confined to very small parcels for a number of years, which has made the trade proportionately expensive in cables and overhead both to the Canadian supplier and the New Zealand agent; likewise the freight rates may have been on a fairly rigid scale because of the lack of volume in the business. However, there would appear to be some prospects of steadier demand for a period.

An assisted housing scheme is under consideration by the Government, which should help in the disposal of some of the cut of local mills that are already benefiting from active demand in Australia, and from quite good domestic orders. These features may open the way for somewhat larger consumption of lumber and, coupled with probable increase in domestic saw-milling costs, may help the import of certain species that Canada produces at competitive prices.

IRISH FREE STATE WOOL PRODUCTION AND EXPORT

A. J. TINGLEY, ASSISTANT TRADE COMMISSIONER

Dublin, June 1, 1936.—The present sheep population of Saorstát Éireann is estimated at just over 3,500,000, which compares with approximately 4,000,000 in 1900. Previous to 1900, the number of sheep in the country exceeded the number of cattle, but whereas cattle production has increased by 5 per cent since that year, the numbers of sheep have declined by approximately 12 per cent.

The chief areas of sheep distribution in the Irish Free State are the hill pastures of the Wicklow Mountains, south of Dublin, and the counties of Galway and Roscommon in the west. There are, in addition, large numbers of sheep on the hill and mountain areas of Mayo and Donegal, where the rainfall is upwards of 50 inches in the year. From this district come the well-known "Donegal" tweeds and homespun, still manufactured in cottages or in small mills. The principal mountain breeds of sheep are the Blackface, Cheviot, Connemara, Scotch, Coarse Kerry, and Crossbred, which produce in turn a wide variety of grades of fleeces.

TYPES AND USES

The average annual wool production of the Irish Free State is approximately 15,000,000 pounds, and it has remained fairly constant during the past decade. The export of live sheep and lambs has declined from over 550,000 to

365,000 during the past five years. Approximately 90 per cent of the wool produced in the Irish Free State is exported, there being but a small, although slowly increasing, demand from local mills.

Irish wool is available in a wide variety of standard grades of unskirted fleeces, downs, pick and super wethers, super-selected wethers, deep hogs and wethers, Cheviots, fine Cheviots and washed crossbreds. These descriptions, of course, apply to both the washed and greasy fleeces and range in texture from 36 to 56 hanks per pound, Bradford quality. Irish wool is exported in new jute bales of from 500 to 560 pounds.

Generally speaking, Irish wool does not come into competition with the finer grades of Australian Merino wool; it is, however, competitive with and used for the same purposes as the New Zealand product, although it is considered to have more life and "spring," and is an excellent wool for colouring. Irish wool is used chiefly in the manufacture of paper felting, tweeds, and hosiery. Greasy wool is especially suitable for the carpet trade, and in this respect Irish Blackface is often equal to the best Scottish, English, and East Indian wools.

EXPORTS

There is a large export of Irish Blackface wool to the United States, where it is apparently well suited to the carpet industry. In addition, Irish carpet wool is regularly exported to Canada, while the "C" grade of washed fleeces is largely used in the Dominion for paper felting, tweeds, and textiles. The chief markets for Irish wool, however, are the United Kingdom and the Continent, practically all of the European countries importing regularly from the Free State.

The value of the Free State raw wool exports for the years 1935 and 1934 is shown in the following table:—

Exports of Raw Wool, Greasy

	1935	1934
Total	£151,447	£106,045
Great Britain	78,644	60,526
United States	45,562	20,855
France	5,034	9,115
Northern Ireland	8,658	8,914
Germany	5,172	4,315
Belgium	2,785	670

The average value per 100 pounds of exports in 1935 was 52s. as compared with 48s. 11d. in 1934.

Exports of Raw Wool, Washed or Scoured

	1935	1934
Total	£300,410	£272,790
Great Britain	155,217	149,123
Germany	47,526	40,971
Belgium	16,566	31,011
France	11,034	24,946
United States	29,948	8,913
Sweden	8,976	5,652
Poland	1,007	3,277
Netherlands	5,527	2,782
Czechoslovakia	13,147	1,908
Northern Ireland	3,431	1,651
Canada	5,427	1,150

The average value per 100 pounds of exports in 1935 was 72s. 6d. as compared with 68s. 6d. in 1934.

SAORSTAT WOOLLEN GOODS INDUSTRY

The passing of the Control of Imports Act in 1934, under which woven tissues and piece-goods were subject to an import quota, gave an impetus to the

local wool textile industry, which was further encouraged by the imposition of an emergency import duty of from 30 to 45 per cent on woven tissues of wool and worsted, and of from 40 to 60 per cent ad valorem on ready-made clothing. Domestic production of wool tissues, which had previously been confined to fine-quality goods, now includes the cheaper-quality woollens and worsteds which are required for the rapidly expanding men's clothing industry. Saorstat production of wool tissues has increased from 2,000,000 square yards in 1931 to approximately 3,500,000 square yards in 1935. In July, 1935, the Irish wool textile industry operated 10 combing machines, 42,450 woollen spindles, 6,150 worsted spindles and 821 looms, and gave employment to 2,800 persons.

IMPORTS OF WOOL TISSUES AND WOOL

Imports of wool tissues into the Irish Free State—almost entirely from Great Britain—represent fully twice the home production, and increased from 5,700,000 square yards in 1928 to 7,400,000 square yards in 1934. During 1935, however, owing to the operation of the Control of Imports Act, there was a decline to 7,200,000 square yards.

In 1933, according to the Census of Production, 3,200,000 pounds of wool were used in the domestic wool textile industry (exclusive of the hosiery and carpet trades), of which less than one-fourth was imported. Total imports of raw wool into the Irish Free State—mainly from Northern Ireland—have averaged approximately 900,000 pounds over the last seven years, and reached their lowest point of less than 500,000 pounds last year. Against this, total Free State exports of wool exceeded 12,000,000 pounds in 1935.

DEVELOPMENT OF THE INDUSTRY

At one time little attention was paid by wool merchants to classing and grading wool in this country, but in recent years there has been a substantial improvement in every direction. The Department of Agriculture has been experimenting with different breeds of sheep and has encouraged the production of those breeds which have been found to give the best quality of wool. The Irish Wool Breeders Association has also co-operated in the work of improvement and has evolved a system of classing and grading the use of which is compulsory for all its members. The result has been increased confidence in Irish wool, the foreign demand for which now exceeds the supply.

REVIEW OF AUSTRALIAN OVERSEA TRADE, 1934-35¹

M. T. STEWART, ACTING TRADE COMMISSIONER

Importations of Interest to Canada

I

Melbourne, May 4, 1936.—It is not the purpose of this section of the annual review of Australian oversea trade to touch on all the items imported from Canada to Australia, but rather to comment upon the principal imports which are of interest to Canadian manufacturers and producers.

PRINCIPAL IMPORTS FROM CANADA

The fact that imports into Australia from Canada have increased from £2,918,095 sterling currency in 1933-34 to £4,091,796 in 1934-35, is proof of the importance of the Australian market to Canadian exporters. Although Australia provides a market for a wide range of Canadian products, it should be noted that four leading items for the year under review—motor chassis and

¹ This report is in continuation of a series that was begun in No. 1679 (April 4) with a report on economic conditions in Australia in 1934-35, and continued in No. 1680 (April 11) with a general review of the overseas trade, and in No. 1681 (April 18) with a section on trade with Canada and the United States.

chassis parts, newsprint in rolls and sheets, timber undressed, and canned salmon—comprised fractionally more than 67 per cent of the total imports from Canada into Australia.

MOTOR CHASSIS AND CHASSIS PARTS

The fiscal year 1933-34 witnessed a very substantial revival of the motor car trade in Australia, and during the period under review, further progress was made. Following is a comparative schedule showing the imports of unassembled chassis from principal countries for the two years by country of origin:—

Chassis, Unassembled

	1933-34		1934-35	
	No.	£	No.	£
Total	32,354	2,426,717	52,656	3,893,671
United Kingdom	11,337	1,099,962	10,363	1,067,720
Canada	12,223	681,986	18,692	1,048,938
France	6	2,442	15	1,407
Germany	1	342	3	1,253
Italy	64	3,986	28	1,495
Japan .. . . .	.....	.....	24	1,208
United States	8,723	637,977	23,530	1,771,485

Assembled chassis during the fiscal year ended June 30, 1935, were imported to the value of £203,089 as against £102,252 for the previous year, and chassis parts to the value of £212,623 as against £179,371. The effect of the customs tariff on chassis imports is such that the actual chassis are stripped as much as possible, and such items as springs, shock absorbers, fenders, and running boards are separately classified; thus a greater number of chassis are required than would ordinarily be the case to make up a given total, and in 1934-35, 52,656 chassis were imported as against 32,354 for 1933-34, an increase of more than 20,000 in a year.

This increase has, of course, resulted in tremendous activity among the local body builders and assembly firms, and there has been a considerable investment in permanent plant and equipment.

The trend of the Australian automotive industry is towards decreasing importations where possible, and although Canada has shared very largely in the trade, it is difficult to visualize any further important expansion, and it is quite probable that within a few years the advance of local manufacturing will further curtail imports.

There is an undoubted demand on the part of the general Australian public for the American type of motor car, which appears to be best suited to the hard conditions found in Australia.

NEWSPRINT IN ROLLS AND SHEETS

Australia has always been a very important market for printing papers of all kinds, and Canadian manufacturers of newsprint have enjoyed a substantial share of the trade. Following is a schedule of the imports for the last two fiscal years:—

Newsprinting, not Glazed, Millglazed or Coated, in Rolls not less than 10 Inches in Width

	1933-34		1934-35	
	Tons	£	Tons	£
Total	110,146	1,116,451	130,596	1,195,524
United Kingdom	54,134	600,867	44,309	471,067
Canada	55,184	506,617	85,259	713,569
Germany .. . . .	.....	.....	65	821
Norway	576	6,533	378	4,412
Sweden	211	2,014	120	1,217
United States .. . . .	.....	.....	459	4,365

Newsprint in sheets was imported to the value of £82,657 in 1933-34, and £77,819 in 1934-35.

During the past year considerable attention has been directed to the development of a newsprint industry in Australia; the proposed sites are on the island of Tasmania, and in the State of Victoria. At the present time, a company is being floated by several powerful financial groups, their intention being to establish a paper mill at Burnie, Tasmania, for the production of various fine printing papers, and a large newsprint installation is under active consideration by another prominent group. Should the present plans be carried out, as they probably will be, Australia will be producing a large percentage of her newsprint requirements by the end of 1938, as well as a proportion of her fine paper requirements.

Canada does not participate to a large extent in any other paper items except newsprint, although in writing and typewriting papers imports from the Dominion were valued at £26,051 in 1933-34 and £27,686 in 1934-35; the total imports of these items were £422,707 and £424,931 respectively.

TIMBER

Australia is an important market for Canadian timber, particularly undressed, and the import figures show a substantial increase during the fiscal years 1933-34 and 1934-35. Timber has always been a very variable item in the import trade of Australia, and affords an excellent index of building activity and general conditions.

Wood of all kinds, raw and manufactured, was imported to the value of £1,403,049 in 1933-34 and £1,847,866 in 1934-35. Of this total, Canada was credited with £540,087 and £656,937 in the respective years. Her share of the trade, however, was largely confined to undressed timber, the totals for this item alone being £493,916 in 1933-34 and £616,737 in 1934-35.

The preferential position which Canadian timber enjoys in the market enables Canadian exporters of undressed timbers to secure a large proportion of the total requirements. An interesting development in the past two years has been the marked increase in the local milling of imported logs. This development is very largely centred in Sydney, although it is by way of increasing in other large centres as well. Douglas fir logs valued at £123,716 and £249,489 respectively were imported in 1933-34 and 1934-35; of these totals Canada was credited with £122,439 and £237,075 in the respective years. The development of the log market is, of course, largely at the expense of undressed timbers sawn to various sizes, but the construction of the tariff items covering timber imports is such that the development of the local sawmilling industry is encouraged, and considerable sums have already been spent in plant and equipment.

CANNED FISH

The Australian market for canned fish is of the greatest importance to Canadian canned salmon exporters, and the following table gives the imports of canned salmon from the chief sources of supply:—

	1933-34		1934-35	
	Lbs.	£	Lbs.	£
Total	12,293,352	298,346	14,355,344	375,488
United Kingdom	16,758	533	15,095	504
Canada	10,640,814	250,372	12,241,513	314,198
Alaska	456,291	12,907	506,526	12,943
Japan	138,921	4,482	278,009	8,358
Soviet Union	353,086	10,857	348,501	11,291
United States	684,750	18,959	959,188	27,681

Canadian sardines are also in favour in the Australian market. Norway occupies the leading position, as the following import statistics show:—

Imports of Sardines (including Sild)

	1933-34		1934-35	
	Lbs.	£	Lbs.	£
Total	3,191,850	113,138	3,948,476	147,058
United Kingdom	410,510	16,776	666,479	27,638
Canada	552,577	15,377	791,018	23,927
France	2,042	239	5,353	691
Norway	2,088,538	74,336	2,202,623	80,803
Portugal	93,140	4,927	233,360	12,686
Soviet Union (Russia) . . . . .	.....	.....	29,160	550

The canned salmon trade in Australia is in a highly competitive and somewhat disorganized condition, and although Canadian shippers are in a preferential position to secure the bulk of the trade, the price at which most of the business is booked is very low and is not remunerative to the packers.

Canadian herrings to some extent also find a market in Australia; imports from the Dominion were £6,113 in 1933-34 and £17,575 in 1934-35 as compared with total imports of £70,800 and £93,065 respectively. The United Kingdom was the chief supplier with £58,271 as compared to £65,161 in 1934-35.

Small quantities of fresh frozen fish were shipped from Canada to the Australian market in the last two fiscal years. In 1933-34 the value was £1,421 as compared to £1,762 in 1934-35; total imports were £113,684 and £163,470. New Zealand was the principal source of supply with £71,495 in 1933-34 and £112,845 in 1934-35, followed by the United Kingdom with £29,653 and £34,625.

AUSTRALIAN WHEAT AND FLOUR

M. T. STEWART, ACTING TRADE COMMISSIONER

Melbourne, May 20, 1936.—Shipments of wheat and flour from Australia for the period from December 1 to the week ending May 11 totalled 59,019,960 bushels as compared with 54,566,881 bushels for the corresponding period of the previous season. Since the middle of April the demand for Australian wheat has been very disappointing and values overseas have declined by about 2d. per bushel. This decline is attributed to Canadian selling pressure, and it is significantly noted that, whereas early in the year Australian wheat was selling at No. 3 Manitobas, it is now commanding a price in line with No. 1 Manitobas; but in view of the comparative dearthness of Australian wheat compared with Canadian, the demand for Australian is naturally much smaller.

China is practically out of the market with Australian wheat, and Japan is only buying odd parcels from Australia.

The price to growers in Australia is currently about 3s. 2d. per bushel Australian currency, equivalent to 62 cents Canadian, delivered at country sidings. Quotations f.o.b. steamer are about 3s. 10d., equivalent to 76 cents Canadian.

The local price for wheat is really above world parity, this being due to the fact that Australia has shipped such a large proportion of her exportable surplus (about 1,580,000 tons to date) that the available uncommitted surplus of approximately only 350,000 tons is very strongly held, and as the new crop will not be available for some six months, it is obvious that there will be no selling pressure from Australia.

Another contributing factor increasing the farmers' reluctance to sell is that the weather thus far throughout Australia has been generally unfavourable for seeding. Good rains are urgently needed to allow the farmers to proceed with their field operations in preparation for the new crop, and large areas will shortly

be in a distressed condition if general rainfall is not forthcoming. This applies particularly to Western Australia, South Australia, and large sections of Victoria, New South Wales being more favourably situated. The general absence of rainfall, however, is causing considerable uneasiness to primary producers, and there is great scarcity of food for sheep and cattle. Heavy losses have been incurred in lambs, and there is no doubt that widespread rainfall is urgently required if a normal production season is to be experienced.

FLOUR

The export flour market has continued featureless, with the exception of a substantial quantity booked for May shipment to Dairen. This business was booked at unattractive prices, to keep the mills occupied, and the price of Australian wheat is so high in comparison to flour that there is no opportunity for profitable milling operations and the immediate outlook is unattractive.

Export quotations are at £7 12s. 6d. per ton (2,000 pounds) packed in 49-pound calico sacks, equivalent to \$30.24 Canadian, and £7 10s. in 150-pound bags, equivalent to \$29.74 Canadian, the local price for flour being £9 10s. per ton of 2,000 pounds.

CHARTERING

The demand for shipping space is quiet as shippers have already covered their requirements and have no interest in securing additional tonnage at present. Freight rates are practically unchanged, the full cargo rates having been maintained, but the parcel rate for June has been fixed for 26s. 3d., and for July and August at 25s. Freights are payable in English currency on the basis of 2,240 pounds per ton.

TRADE OF JAMAICA IN 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

II

Exports

The domestic exports of Jamaica totalled £3,691,494 in f.o.b. value in 1935. The total in 1934 was £3,069,908, and the increase in the year under review was mainly due to the recovery of the banana industry from hurricane damage. The 1935 figure was the highest since 1930. Larger quantities of every export product were shipped than in 1934, except for essential oils, grapefruit and pimento.

The distribution of the island's domestic exports during the past three years is indicated below:—

Destination	1933	Per Cent ¹	1934	Per Cent ¹	1935	Per Cent ¹
United Kingdom	£1,341,803	56.3	£1,680,350	55.0	£2,070,366	56.2
Canada	660,936	27.8	903,616	29.6	1,033,778	28.1
Other British Empire countries	22,769	1.0	40,479	1.3	45,613	1.3
United States	224,480	9.4	281,345	9.2	327,849	8.9
Other foreign countries .. .	131,788	5.5	148,442	4.9	202,967	5.5
Parcels post, all countries ² ...	14,793	.....	13,801	.....	10,921	.....
Ships' stores	533	.....	1,875	.....	.....	.....
Total domestic.. . . .	£2,397,102	100.0	£3,069,908	100.0	£3,691,494	100.0

¹ In computing percentages, exports by parcels post are not taken into account.

² Unclassified as to countries of destination.

Larger shipments of bananas and sugar in 1935 than in 1934 were mainly responsible for the increase in the exports to Canada as shown in the above table. In 1935 British Empire countries took 85.6 per cent of Jamaica's domestic exports; the percentage in 1934 was 85.9; and in 1933, 85.1.

THE FIFTEEN PRINCIPAL EXPORT PRODUCTS

BANANAS

Bananas were again the most valuable item of Jamaica's export trade, representing 59 per cent of the total; the percentage in 1934 was 54·2. Shipments to the principal markets during 1935 were as follows:—

	Stems	£
To United Kingdom	16,120,700	1,694,957
Canada	2,352,672	281,765
United States	1,079,534	110,126
Holland	826,382	87,551
Other countries	38	7
Total	20,379,326	2,174,406

On account of hurricanes, total exports in 1934 and 1933 were respectively 15,974,906 and 10,557,369 stems. Bad weather experienced in September and October last will reduce the 1936 output to some extent. In 1934 and 1935 shipments to the United States were considerably greater than those of 1933.

RAW SUGAR

Raw sugar was next in importance, accounting for 15·2 per cent of the domestic exports. Shipments in 1935 were as follows:—

	Long Tons	£
To Canada	61,848	501,037
United Kingdom	7,063	57,057
Other countries	28	370
Total	68,939	558,464

Exports in 1934 and 1933 totalled respectively 54,227 and 45,270 tons. Production has considerably increased in Jamaica during the past few years; the industry is aided by bounties granted by the British Government and also by the regulation by the Jamaican Government of prices of locally consumed sugar, these being fixed somewhat above the prices ruling in the world's markets.

RAW COFFEE

Raw coffee was third (4·3 per cent of the total value). Shipments to the principal countries were as follows:—

	Pounds	£
To Canada	6,914,021	116,023
United Kingdom	490,844	34,602
France	62,127	2,211
United States	35,612	624
Other countries	91,093	1,992
Total	7,593,697	155,452

Exports in 1934 totalled 7,132,563 pounds (£168,091); and in 1933, 9,824,230 pounds (£218,213). The decline is partly attributable to the depressed state of the world's markets; but, on the other hand, the grading and curing of Jamaican coffee, especially in respect of ordinary varieties, are said to call for improvement. This matter is receiving attention from the Government.

RUM

Rum was fourth in order of importance (4·1 per cent). Exports in 1935 totalled 466,259 gallons valued at £149,998 f.o.b., of which the United Kingdom took 294,460 gallons (£68,929), Germany 66,808 gallons (£14,244), the United States 48,141 gallons (£42,728), Canada 24,286 gallons (£10,990), and the Bahamas 22,251 gallons (£7,338). Prices have much improved during late years, following the stoppage of overproduction.

OTHER PRODUCTS

Coconuts were fifth (2·5 per cent of total value). Exports totalled 37,256,680 nuts valued f.o.b. at £91,187, of which the United States took 26,468,568 (£66,685), Canada 8,704,780 (£19,570), and the United Kingdom 2,050,630 (£4,855). In 1934 total exports were 37,144,647 nuts (£96,746).

Logwood extract was sixth (2·3 per cent). Exports in 1935 totalled 24,972 cwts. valued at £83,573 f.o.b., of which 22,951 cwts. (£75,630) went to the United Kingdom, 830 cwts. (£3,410) to Belgium, 653 cwts. (£2,597) to Spain, and 504 cwts. (£1,815) to the United States.

Pimento was seventh, representing 2·2 per cent of the total. Exports in 1935 totalled 8,047,863 pounds valued f.o.b. at £80,725, of which the United States took 4,089,124 pounds (£43,322), France 1,792,548 pounds (£16,546), Germany 807,560 pounds (£7,511), the United Kingdom 381,283 pounds (£4,090), Canada 303,459 pounds (£2,967), and numerous other countries the remainder. The 1934 exports totalled 12,150,678 pounds (£96,348).

Ginger was eighth (2·0 per cent). Exports in 1935 totalled 2,879,017 pounds (£69,938), of which 1,461,670 pounds (£37,343) went to the United Kingdom, 961,345 pounds (£21,272) to the United States, 299,286 pounds (£6,748) to Canada, and 108,735 pounds (£3,383) to Australia. Total exports in 1934 were 2,394,699 pounds (£64,579).

Oranges took ninth place (1·6 per cent). Total exports in 1935 were 143,597 boxes valued f.o.b. at £56,625, of which Canada took 95,334 boxes (£37,178), New Zealand 32,240 boxes (£12,860), the United Kingdom 11,733 boxes (£4,677), and Bermuda 4,199 boxes (£1,874). Exports in 1934 totalled 78,555 boxes (£32,572). Production of marketable fruit has considerably increased of late years.

Grapefruit was tenth (1·3 per cent). Owing in some degree to low prices resulting from heavy production in the United States and elsewhere, Jamaica shipped much fewer grapefruit in 1935 than in 1934. In the former year exports totalled 8,716,631 in number valued at £47,170 f.o.b., of which 6,593,488 (£38,279) went to the United Kingdom, 1,861,250 (£7,666) to Canada, and 172,700 (£803) to New Zealand. The 1934 total was 16,736,562 (£78,370). Efforts continue to be made to increase production of seedless varieties, which are in demand in the chief consuming countries.

Cocoa was eleventh, accounting for 1·2 per cent. Total exports in 1935 were 5,078,775 pounds (£47,111): Canada, 5,002,859 pounds (£49,374); Palestine, 46,255 pounds (£451); Holland, 21,421 pounds (£205). Exports in 1934 totalled 4,439,480 pounds (£42,708).

Logwood took twelfth place (1·1 per cent). Shipments in 1935 totalled 16,076 long tons (£42,992): France, 11,007 tons (£29,169); United States, 3,686 tons (£10,416); Germany, 1,358 tons (£3,332). Total exports in 1934 were 12,028 tons (£32,137).

Cigars were thirteenth (0·6 per cent). Exports in 1935 totalled 35,618 pounds valued f.o.b. at £20,316, of which Panama took 18,238 pounds (£6,607), the United Kingdom 6,376 pounds (£6,031), Bermuda 3,358 pounds (£1,837), and Newfoundland 1,772 pounds (£1,396).

Honey was fourteenth in order of importance, representing 0·5 per cent of the total value. Shipments in 1935 totalled 1,872,400 pounds (£13,585): United Kingdom, 1,856,374 pounds (£13,410); Canada, 13,983 pounds (£166). Total exports in 1934 were 1,623,214 pounds (£16,360).

Essential oils of lime, orange and pimento were fifteenth (0·4 per cent). Total exports in 1935 were 6,141 gallons valued f.o.b. at £12,860: United States, 3,315 gallons (£7,362); United Kingdom, 2,209 gallons (£3,746); Canada, 327 gallons (£1,310).

OTHER EXPORTS

Besides the above fifteen items, which are listed in order of importance as regards value and represent in their aggregate £3,617,041, or 98.3 per cent of Jamaica's total domestic export trade in 1935, there were shipped during that year small quantities of annatto, fruits and vegetables, hides and skins, lime juice, various kinds of woods, and some other articles.

EXPORTS TO CANADA BY PERCENTAGES

In 1935 Canada took the following percentages of Jamaica's principal items of export:—

	Computed as to Quantity Value			Computed as to Quantity Value	
Bananas	11.5	13.4	Oranges	66.4	66.1
Sugar	90.0	90.0	Grapefruit	21.3	16.0
Coffee	91.0	75.0	Cocoa	98.5	98.6
Rum	5.1	6.6	Logwood .. . . .	....	....
Coconuts	23.3	21.0	Cigars .. . . .	....	....
Logwood extract .. . . .	....	....	Honey	0.7	1.2
Pimento	3.7	3.6	Essential oils	5.1	10.2
Ginger	10.4	9.6			

As compared with 1934, there were increases of percentages in sugar, rum, coconuts, pimento, ginger, and grapefruit; and decreases in bananas, coffee, oranges, and cocoa.

RE-EXPORTS

The total value of re-exports from Jamaica, not being domestic produce, was £147,439 in 1935; the United Kingdom took £37,487, the Dominican Republic £32,044, Trinidad £26,111, the United States £20,485, Panama £6,625, and Canada £5,471. Included in these re-exports were bullion and specie totalling £25,554 (United Kingdom £22,440, United States £3,114); but not so included were ships' stores amounting to £39,530. The total value of the re-export trade in 1934 was £151,039, excluding ships' stores aggregating £21,962. Goods entered for transshipment in 1935 totalled £350,105 in value as compared with £264,865 in 1934. These are not included in imports, exports, or re-exports, but represent only intransit traffic.

TRADE OF THE BAHAMAS IN 1935

F. W. FRASER, CANADIAN TRADE COMMISSIONER

IMPORTS

Kingston, Jamaica, May 29, 1936.—The trade returns of the Bahamas for 1935, recently issued by the Comptroller of Customs, reveal a slight decline in total imports as compared with previous years. Total imports, including liquor and parcel post, amounted to £723,762 in 1935 as compared with £728,299 in 1934 and £729,731 in 1933. Apart from liquor, however, which declined sharply, imports of other commodities increased from £559,142 to £658,790, or by about 18 per cent. Canada's share in the import trade (including liquor) declined from £135,100 in 1934 to £98,949 in 1935. Exclusive of liquor, Canada's shipments increased by about £5,000 to £80,663. Domestic exports during the year amounted to £112,887, as compared with £104,793 in the previous year.

TREND OF TRADE

The trend of the colony's export trade during the past five years is shown in the following table:—

Canada—	1931	1932	1933	1934	1935
Value	£ 359,772	£221,444	£261,558	£135,100	£ 98,949
Per cent	28.7	23.6	28.1	18.5	13.7
United Kingdom—					
Value	264,880	228,336	251,294	182,531	169,866
Per cent	21.1	24.3	27.1	25.0	23.4
United States—					
Value	440,810	334,789	259,935	267,773	317,612
Per cent	35.2	35.6	27.9	36.7	43.9
Other countries—					
Value	186,579	155,782	156,944	142,895	137,335
Per cent	15.0	16.5	16.9	19.8	19.0
Total value	£1,252,041	£940,351	£929,731	£728,299	£723,762
Per cent.	100.0	100.0	100.0	100.0	100.0
Less liquor imports	£ 548,978	£313,151	£365,500	£169,157	£ 64,972
Net value.	£ 703,063	£627,200	£564,231	£559,142	£658,790

Apart from liquor imports, which continue to decline from the abnormally high figures reached during prohibition years in the United States, the import trade for the past five years was as follows:—

From Canada—	1931	1932	1933	1934	1935
Value	£ 75,015	£ 92,254	£ 88,121	£ 75,430	£ 80,663
Per cent.	10.7	14.7	15.6	13.5	12.2
From United Kingdom—					
Value	88,210	113,864	129,687	118,738	145,725
Per cent	12.5	18.2	23.0	21.2	22.1
From United States—					
Value	438,492	334,429	259,188	267,232	317,414
Per cent	62.3	53.2	44.9	47.9	48.3
From other countries—					
Value	101,346	86,653	87,235	97,742	114,988
Per cent	14.5	13.9	15.5	17.4	17.4
Total value	£703,063	£627,200	£564,231	£559,142	£658,790
Per cent.	100.0	100.0	100.0	100.0	100.0

NOTES ON IMPORTED COMMODITIES

Acrated and Mineral Waters.—Imports, £2,234 (£1,882 in 1934). The United States supplied about 50 per cent of the total value, followed by the United Kingdom, with small quantities from Germany.

Ale, Porter and Stout.—Imports, 34,540 gallons, £7,527 (30,442 gallons, £6,836). The United Kingdom was the principal supplier, followed by Germany, Holland, the United States, and Canada. Canada's share declined slightly, amounting to 2,460 gallons valued at £500.

Butter.—Imports, £10,018 (£8,502): New Zealand, Canada, Australia, and the United States.

Cheese.—Imports, £2,621 (£2,277): Canada, £1,393 as compared with £744 in 1934. The United States supplied the bulk of the remainder.

Coffee, other than Raw.—Imports, £2,584 (£2,250): United States, £2,180. Canada's share increased from £94 in 1934 to £336 in 1935.

Confectionery.—Imports, £4,426 (£3,901 in 1934): The United States was the principal supplier, followed by the United Kingdom. Canada's shipments dropped from £195 in 1934 to £78 in 1935.

Cornmeal.—Imports, £1,449 (£1,220). The United States was the principal supplier with small quantities from Canada.

Eggs.—Imports, £3,099 (£2,801): almost exclusively from the United States.

Flour.—Imports, 48,881 barrels, £45,429 (39,524 barrels, £35,200). Shipments from the United Kingdom rose from 5,639 barrels to 18,233 barrels; those from Canada dropped from 33,714 barrels to 30,506 barrels.

Fish, Canned.—Imports, £2,013 (£1,977 in 1934): United States, £992; Russia, £364; Canada, £290; Japan, £111; Portugal, £110.

Chicken and Dairy Feed.—Imports, £4,674 (£3,174). The United States was the largest supplier with £3,109; the remainder was from Canada.

Oats.—Imports, £3,338 (£3,130 in 1934). These came almost exclusively from Canada.

Meats: Beef and Pork, Pickled and Salted.—Imports, £7,242 (£6,323): the United States, £5,100; Argentina, £1,006; the United Kingdom, £937; Canada, £199.

Meats, Canned.—Imports, £5,452 (£3,909): Argentina, £3,567; United States, £1,656; United Kingdom, £133; Canada, £64.

Meats, Fresh.—Imports, £12,522 (£9,629): United States, £9,172; Canada, £2,734; Argentina, £616.

Meats: Hams and Bacon.—Imports, £8,474 (£6,616): United States, £7,030; Canada, £1,068.

Poultry and Game.—Imports, £4,187 (£2,394): principally from the United States.

Milk, Sweetened.—Imports, £6,727 (£5,462): Canada, £4,100; United Kingdom, £1,128; Holland, £1,056.

Milk, Unsweetened.—Imports, £7,080 (£4,922): divided almost equally between Canada and the United States.

Provisions (i.e. articles of food not otherwise classified).—Imports, £15,690 (£13,246): chiefly from the United States.

Sugar, White.—Imports, £8,525 (£10,827): principally from the United States.

Leaf Tobacco.—Imports, £1,581 (£1,406): almost exclusively from the United States.

Vegetables: Beans and Peas.—Imports, £973: almost exclusively from the United States.

Vegetables, Canned.—Imports, £1,497: United States, £1,077; Canada, £294.

Onions.—Imports, £1,620 (£1,228): United States, £1,024; Canada, £431; Egypt, £165.

Potatoes, Irish.—Imports, 5,930 barrels, £2,689: Canada, 4,407 barrels valued at £1,923; the United States the remainder.

Lumber.—Imports, £14,196 (£13,082): United States, £12,453; Canada, £1,649.

Shingles.—Imports, £2,663 (£2,740): United States, £2,349; Canada the remainder.

Apparel.—Imports, £18,884 (£15,434): United Kingdom, £7,073; United States, £6,457; Japan, £3,262; Canada, £1,786.

Boots and Shoes of Rubber, and Canvas Boots and Shoes, Rubber-soled.—Imports, £2,271 (£2,354): divided between Hongkong and Canada.

Boots and Shoes, Other.—Imports, £10,292 (£10,187): United States, £7,461; United Kingdom, £1,550; Japan, £1,226.

Cement.—Imports, 13,234 barrels, £5,575 (14,174 barrels, £5,629): United Kingdom, 8,933 barrels, £3,681; Canada, 3,799 barrels, £1,522; United States, 502 barrels, £372.

Fertilizers.—Imports, £4,003 (£2,633): principally from the United States.

Furniture.—Imports, £17,047 (£10,663). Imports from the United States increased from £6,443 to £15,618, while purchases from the United Kingdom dropped from £2,656 to £622, and Canadian shipments from £1,423 to £670.

Haberdashery and Millinery.—Imports, £4,136 (£4,540). The United Kingdom and the United States were the largest suppliers but smaller quantities were purchased from Canada, Japan, France, Czechoslovakia, and Switzerland.

Hardware.—Imports, £15,307 (£14,904): principally from the United States.

Hats and Caps.—Imports, £3,123 (£2,533). The bulk of this business was divided between the United Kingdom and the United States. Canada's shipments increased to £376 in 1935 from £195 in 1934.

Medicines and Drugs.—Imports, £10,639 (£8,859): United States, £7,332; United Kingdom, £2,840; Canada, £350.

Nails, Iron.—Imports, £1,600 (£1,820): in both years Canada was the principal shipper.

Motor Car Trucks.—Imports, 124 units, £9,540 (103 units, £9,339); United States, 76 units, £4,134; Canada, 47 units, £5,386.

Motor Car Tires.—Imports, £1,475 (£1,495): United States, £645; Canada, £641; United Kingdom, £189.

Oilcloth and Linoleum.—Imports, £612 (£318): principally from the United States.

Paints.—Imports, £9,375 (£7,591): United States, £5,189; United Kingdom, £3,344; Canada, £828. Canada's share during the previous year was £262.

Paper.—Imports, £4,809: United States, £3,986. Small quantities were imported from the United Kingdom, Canada, Sweden, Norway, Holland, and Belgium.

Hosiery of Cotton.—Imports, £284 (£416): principally from the United Kingdom.

Hosiery, Silk.—Imports, £177 (£304).

Hosiery, Artificial Silk.—Imports, £1,557 (£1,784): principally from the United Kingdom. Canada's share was £392.

Hosiery, Woollen.—Imports, £347 (£127): United Kingdom and Canada.

EXPORTS

Fish, Fresh.—Exports, £2,654 (£3,011): all to the United States.

Tomatoes, Raw.—Exports, 106,000 bushels (112,000 bushels). Prices received, however, were considerably higher in 1935, and the actual value of exports during that year amounted to £26,064 as compared with £20,444 in 1934. Shipments were made almost exclusively to Canada.

Bahamas Hemp.—Exports, 607 tons, £3,709 (158 tons, £3,171): the United States was the only buyer.

Hides and Skins.—Exports, £1,397 (£526): exclusively to the United States.

Lumber.—Exports, which totalled £14,938, increased in value by over 100 per cent as compared with the previous year: Jamaica, £10,316; Cuba, £4,607. It is interesting to note that exports of lumber from the Bahamas in 1935 exceeded the imports.

Sponge.—Exports, £52,292 (£58,250 in 1934 and £84,852 in 1933).

TOURIST TRADE

The seasonal year ending March, 1936, was an excellent one for the Bahamas so far as the tourist trade was concerned. While the number of excursionists—i.e., persons on steamers remaining in port for only one day—was lower than during the previous twelve-month period, the number of long-term visitors increased from 4,254 to 5,439, and the number of transients, i.e., persons making the cruise on steamers which run on regular schedule to Nassau, increased from 4,796 to 7,066.

Building construction in Nassau during the year was considerable, principally by or on behalf of persons making their winter homes in the island, and desirable building lots recorded a substantial appreciation in value.

TRADE OF HONGKONG, JANUARY TO MARCH

K. F. NOBLE, ACTING TRADE COMMISSIONER

(Values in this report are in Hongkong dollars, the average value for the period under review being taken as 32½ cents Canadian)

Hongkong, May 5, 1936.—The combined declared values of imports of merchandise into and exports from Hongkong for the period January to March, 1936, amounted to \$174,170,000 (Hongkong) as compared with \$172,100,000 in the corresponding period of 1935, an increase of 1·2 per cent.

Imports were recorded to a value of \$98,192,000 as against \$97,300,000 for the previous year—a decrease of 0·9 per cent; and exports totalled \$75,979,000 as compared with \$74,800,000—an increase of 1·6 per cent.

EFFECTS OF EXCHANGE

The period under review marked a term of exchange stability of the Hongkong dollar which has been absent for a considerable time, the last period for which comparatively stable rates were recorded being the first nine months of the year 1934. During the first quarter of 1936 rates in terms of the currencies of the principal countries of the world moved within a margin of 1 per cent, the average rates of the United States dollar for the months of January, February, and March being 31½¢, 32½¢, and 32½¢ respectively.

This factor served in some measure to relieve the feeling of uncertainty which prevailed during the latter part of 1935, when the violent fluctuations in exchange had a bad effect on the morale of the business community and resulted in the restriction of orders for imported goods to absolute necessities.

With the advent of comparatively stable conditions, the element of unhealthy speculative trading is gradually being eliminated, and both in the import and export trade of the colony business has been placed on a firmer basis than that which has existed for a considerable time.

Although no immediate improvement is apparent statistically, there is no doubt that, should the present exchange situation continue, it will lead to a period of steady import trading, with commitments being entered into on the basis of estimated market requirements rather than against the possibility of advantageous exchange movements.

A stimulus has been given to the export trade of Hongkong by the favourable value of the Hongkong dollar in relation to the currencies of consuming territories, and some of the industries which were on the verge of liquidation are finding better marketing opportunities, with a consequent relaxation of the unemployment problem, which threatened to assume serious proportions towards the end of 1935. Exports from South China show evidences of increasing vitality as a result of the present favourable rate of the currency of that territory in relation to that of North China, which now permits of products indigenous to these two territories competing in world markets on a more equitable price basis.

In summarizing the present exchange situation in South China, it may be assumed that the present highly inflationary nature of the currency of that territory will have an adverse effect on the import trade owing to the consequent reduction in the purchasing power of the people. On the other hand it must be borne in mind that this inflationary element is at the same time gradually reacting favourably towards an increased demand for South China exports in world markets, from which material benefits should accrue to the population in general, and to the rural community in particular, whose purchasing power, though comparatively low even in prosperous times, constitutes the backbone of the consuming population.

IMPORT TRADE OF HONGKONG

Statistics for the first quarter of 1936 show that, as compared with the corresponding period of 1935, the shares of Japan, Netherlands East Indies, the United States, Siam, Germany, and British Malaya in the import trade of Hongkong increased, chiefly at the expense of the United Kingdom, Indo-China, India, Australia, and Belgium.

For the first time during the past five years imports from China show a decline, while the share of the import trade credited to the United Kingdom reached a new low level of 6.6 per cent compared with 7.5 per cent for the first quarter of 1935, 8.8 per cent for 1934, 12 per cent for 1933, and 14.8 per cent for 1932. Japan's share has consistently increased from 2.7 in 1933 to 12.3 per cent in 1936.

IMPORTS BY COUNTRIES

The values of imports from principal countries during the first quarter of 1936, the figures for the corresponding period of 1935 being given in parentheses, were (values in Hongkong dollars):—

China, \$32,785,349 (\$32,831,932); Japan, \$12,033,339 (\$10,044,765); Netherlands East Indies, \$7,777,883 (\$5,488,560); United Kingdom, \$6,438,817 (\$7,247,488); United States, \$9,314,685 (\$8,128,983); Indo-China, \$4,964,888 (\$8,342,217); Siam, \$6,336,928 (\$5,009,723); Germany, \$5,174,068 (\$3,998,279); British Malaya, \$1,958,916 (\$1,881,032); India, \$1,033,638 (\$2,286,312); Australia, \$1,462,740 (\$2,046,651); Belgium, \$1,325,697 (\$1,919,566); and Canada, \$681,651 (\$903,163).

IMPORTS BY COMMODITIES

The following are the total values of imports for the period under review by main groups, figures for the corresponding period of 1935 being given in parentheses:—

Foodstuffs and provisions, \$24,851,056 (\$26,590,873); piece-goods and textiles, \$13,154,664 (\$13,876,291); oils and fats, \$10,978,926 (\$9,560,810); metals, \$8,852,905 (\$9,745,711); Chinese medicines, \$3,790,399 (\$3,944,625); paper and paperware, \$3,478,929 (\$2,181,988); fuels, \$2,776,361 (\$3,122,501); machinery and engines, \$2,189,711 (\$1,233,621); live animals, \$1,905,251

(\$1,992,763); manures, \$1,645,268 (\$544,009); tobacco, \$1,582,395 (\$1,846,235); vehicles, \$1,561,099 (\$591,905); building materials, \$1,501,449 (\$1,827,597); nuts and seeds, \$1,482,097 (\$1,744,321); dyeing and tanning materials, \$1,324,116 (\$1,169,530); chemicals and drugs, \$1,175,484 (\$1,203,236); all kinds of hides, \$1,064,960 (\$411,723); bags, \$872,188 (\$1,543,652); liquor, \$855,536 (\$744,443); wearing apparel, \$800,749 (\$806,625); hardware, \$750,467 (\$660,032); all kinds of leather, \$694,632 (\$642,253); electrical apparatus, \$485,746 (\$605,418); railway materials, \$47,496 (\$175,031); paints, \$470,928 (\$393,239); minerals and ores, \$302,878 (\$753,246); matches and match-making materials, \$221,941 (\$326,417); and other sundries, \$8,373,816 (\$9,002,213).

EXPORT TRADE OF HONGKONG

EXPORTS BY COUNTRIES

The value of exports by principal countries during the first quarter of this year, the figures for the corresponding period of 1935 being given in parentheses, were:—

China, \$31,157,704 (\$37,176,938); British Malaya, \$5,725,720 (\$5,470,477); United States, \$6,656,327 (\$5,417,356); French Indo-China, \$3,844,603 (\$4,604,832); Siam, \$3,456,199 (\$2,751,755); Japan, \$3,372,845 (\$3,085,526); United Kingdom, \$3,305,614 (\$2,087,206); Netherlands East Indies, \$1,593,545 (\$1,342,511); India, \$929,125 (\$582,480); Belgium, \$653,673 (\$141,048); Australia, \$381,590 (\$330,095); and Canada, \$629,483 (\$330,095).

EXPORTS BY COMMODITIES

The following values of exports from Hongkong by main groups for the period under review, together with the corresponding figures for 1935, given in parentheses, are given for the purpose of comparison only, since they are not indicative of the real export trade of Hongkong, but represent the re-exportation of a considerable portion of the imports, estimated at about 85 per cent:—

Foodstuffs and provisions, \$20,202,452 (\$22,458,541); piece-goods and textiles, \$8,178,474 (\$8,971,193); metals, \$8,625,561 (\$8,791,675); oils and fats, \$7,046,839 (\$6,909,132); Chinese medicines, \$3,188,737 (\$2,766,499); machinery and engines, \$3,079,969 (\$1,696,004); wearing apparel, \$2,593,961 (\$1,747,251); paper and paperware, \$1,758,988 (\$1,662,432); minerals and ores, \$1,661,916 (\$667,560); tobacco, \$1,295,693 (\$1,073,831); manures, \$1,399,550 (\$1,304,956); bags, \$1,082,393 (\$1,601,932); electrical apparatus, \$969,707 (\$778,086); all kinds of hides, \$861,757 (\$297,377); dyeing and tanning materials, \$894,870 (\$979,688); building materials, \$774,532 (\$969,329); chemicals and drugs, \$802,030 (\$821,374); hardware, \$576,330 (\$584,485); vehicles, \$455,989 (\$471,599); paints, \$367,313 (\$297,266); liquor, \$261,015 (\$225,802); matches and match-making materials, \$181,339 (\$247,334); all kinds of leather, \$133,385 (\$181,151); fuels, \$75,581 (\$189,849); and all other sundries, \$7,760,469 (\$7,153,285).

IMPORTS FROM CANADA

Imports from Canada during the quarter under review amounted to HK\$681,651 as against HK\$903,163 for the corresponding period of 1935—a decrease of HK\$221,512. As will be noted from the following table, giving principal Canadian imports for the first quarters of 1936 and 1935, wheat flour, printing paper, fish and fishery products, lead, and manures show declines; while increases are shown in the figures for miscellaneous electrical machinery, American pine, softwoods, fodder, condensed milk, motor lorry chassis, motor lorries, timber, and upper leather.

	1936 HK\$	1935 HK\$		1936 HK\$	1935 HK\$
Wheat flour	236,658	289,434	Motor lorries	8,124	.....
Printing paper	83,194	149,433	Pig lead	4,169	20,689
Fish and fishery products..	60,142	103,769	Fresh fish.. . . .	3,315	1,571
Motor cars	48,588	48,067	Nickel.. . . .	2,930	.....
Misc. electrical machinery..	40,406	.....	Agar agar.. . . .	2,607	264
American pine	35,876	10,941	Motor car chassis	2,535	1,706
Softwoods.. . . .	30,955	26,750	Spirits	2,497	2,450
Fodder.. . . .	23,190	6,544	Hardware.. . . .	2,253	1,532
Condensed milk.. . . .	22,093	2,880	Tinned vegetables	2,190	316
Motor lorry chassis.. . . .	14,800	8,107	Tinned meat and fish . . .	2,167	2,020
Manures	12,210	72,000	Staves.. . . .	2,063	2,216
Timber.. . . .	10,938	1,456	Cheese.. . . .	1,821	146
Upper leather	9,657	6,860	Vermicelli.. . . .	1,628	1,951

FOREIGN TRADE OF EGYPT, 1935

YVES LAMONTAGNE, CANADIAN TRADE COMMISSIONER

III. Imports—Continued

MINERAL PRODUCTS

(One Egyptian pound (£E) at par equals \$4.99; the Egyptian currency and sterling have a fixed ratio, one pound sterling being equivalent to 975 milliemmes or £E0.975.)

The total value of Egypt's imports of mineral products of all kinds in 1935 was £E3,819,323 as compared with £E3,141,397 in 1934, an increase of £E677,926.

Imports of coal, coke, and coal briquettes increased by £E458,000, the United Kingdom remaining the chief source of supply for coal, providing 80 per cent of the 1935 total purchases.

Imports of petroleum and its products were also larger than in 1934. Imports of gasoline rose from nearly 13,000 metric tons (£E53,692) in 1934 to 19,456 tons (£E105,832), Roumania and the Dutch East Indies being the main suppliers. Kerosene imports amounted to 258,749 tons (£E714,201), about the same in quantity and value as in 1934. Imports of mazout, diesel, and other fuel oils rose from 164,902 tons (£E262,713) in 1934 to 270,556 tons (£E453,820), while lubricating oils increased from 18,154 tons (£E189,118) to 24,175 tons (£E241,832). Crude petroleum is produced in Egypt and refined at Suez, the refineries there also treating foreign crude oil, imports of which, however, decreased last year, dropping from 112,000 tons (£E323,327) in 1934 to 94,000 tons (£E274,351). This crude oil originates in Iran.

Cement.—Although cement is manufactured on a substantial scale in Egypt, considerable quantities are imported from the United Kingdom and other European countries, though decreasing in volume. The 1935 imports totalled 62,284 tons (£E93,486) compared with 85,128 tons (£E120,608) in 1934.

Gypsum.—Substantial deposits of gypsum are worked in Egypt, and imports of this product, both raw and calcined, are practically limited to the neighbouring island of Cyprus. Imports of calcined gypsum in 1935 totalled 4,163 tons (£E3,803) against 7,777 tons (£E6,936) in 1934. Imports of raw gypsum last year were limited to 40 tons (£E148). There is no market for Canadian gypsum wallboard and similar products in Egypt owing to local production and local building methods.

Asbestos.—Imports of asbestos, raw or in fibre, amounted to 147 tons (£E1,194) in 1935. There were 196 metric tons of asbestos board imported (£E8,402). Other imports of asbestos products totalled £E13,123.

Mica.—There were no imports of raw mica in 1935. Imports of manufactured mica amounted to 634 kilograms (£E259).

Whetstones.—There were 22,462 kilograms of natural hand-whetstones imported last year (£E249), and 4,046 kilos of the artificial product (£E533). Imports of natural grindstones amounted to £E932, and artificial £E4,783, apart from prepared natural millstones (£E6,731).

Sanitary Ware.—The total value of imports of sanitary appliances in 1935 was £E35,787, of which stoneware and fireclay products represented £E14,296 and faience and porcelain £E21,491.

CHEMICALS, PAINTS, SOAP, FERTILIZERS

CHEMICAL AND PHARMACEUTICAL PRODUCTS

Acids.—Imports of sulphuric acid into Egypt during 1935 totalled 3,270 metric tons (£E17,237), of which Holland supplied 2,566 tons.

Imports of edible acetic acid totalled 146 tons (£E4,619). Central Europe is the chief source of supply.

Sodium Compounds.—Some 519 metric tons of bicarbonate of soda (£E4,593) were imported last year. Imports of carbonate and crystals of soda totalled 853 tons (£E4,965), and caustic soda, including lye, 4,047 tons (£E37,287).

Imports of sodium or potassium bichromate totalled 384 tons (£E13,931), and of silicate of soda and potash and fluo-silicate of soda 2,567 metric tons (£E13,229).

Medicinal Preparations.—Imports of medicinal preparations and pharmaceutical specialties in 1935 totalled £E330,817, apart from £E29,312 for serums and vaccines.

COLOURING MATERIALS

Red and White Lead.—Imports of red lead in 1935 totalled 308 metric tons (£E6,194), and of white lead 30 tons (£E797).

Zinc Oxide.—Imports of zinc white totalled 1,378 metric tons (£E22,869). of which Belgium supplied 1,152 tons.

Bronze and Aluminium.—Imports of bronze and aluminium colours totalled 13,606 kilograms (£E1,601). Aluminium powder imports totalled 4,547 kilograms (£E1,406).

Ribbons, Inked.—Imports of inked ribbons totalled £E2,463 in 1935 compared with £E2,440 in the previous year.

Ink.—Imports of printing ink amounted to 204 metric tons (£E19,029), and of writing and drawing ink to 62 tons (£E5,041).

Oil Colours.—Imports of oil colours and enamel paints in 1935 totalled 644 metric tons (£E41,002), of which the United Kingdom supplied 68 per cent. There were also 208 tons of colours with a chalk or baryte base imported last year, representing £E2,942.

Varnishes.—Imports of varnishes, lacs, and siccatives last year amounted to 420 metric tons (£E26,639). The United Kingdom supplied 131 tons and Belgium 217 tons.

SOAP

There are many establishments in Egypt producing soap, and this industry is being encouraged under the customs tariff.

Common Soap.—In 1935 total imports of common soft soap amounted to 201 metric tons (£E2,873), and of common hard soap to 4,174 tons (£E117,095). The sources of supply are chiefly Palestine, the United Kingdom, Greece, and France.

Toilet Soap.—The total amount of toilet and medicinal soaps imported last year was 358 metric tons (£E20,940). The United Kingdom is credited with 84 per cent of the imports, including soap of Canadian manufacture, which is supplied from stocks held in or transhipped in Great Britain.

GLUE

Imports of glue, chiefly made from bones and skins, amounted to £E16,320 in 1935. Imports of glue made from gum arabic, etc., £E5,755. Imports of fish glue are negligible.

FERTILIZERS

Egypt exports considerable quantities of rock phosphate, but is dependent upon foreign sources for materials which can be used directly for agricultural purposes.

Total imports of fertilizers in 1935 were valued at £E2,557,348 compared with £E2,170,816 in 1934.

Imports of Fertilizers, 1935

Nature	M. Tons	£E	Chief Sources
Nitrate of calcium	240,252	1,169,009	Norway, Germany
Natural nitrate of soda	157,922	789,633	Chile
Synthetic nitrate of soda	35,677	170,405	U.S.A., Germany
Superphosphate of lime	81,081	154,980	Holland, Algeria
Sulphonitrate of ammonia	28,497	154,161	Germany
Nitrate of ammonia	23,260	119,599	....
Sulphate of ammonia	15,181	95,339	Germany, U.K.
Potassium salts	2,250	20,030	....
Cyanamide of calcium	602	2,943	Yugoslavia

Imports of artificial nitrate of soda from the United States increased from £E49,551 in 1934 to £E131,360 in 1935, at the expense of Norway.

Plans are being made to manufacture fertilizers at the Aswan Dam in Upper Egypt, using limestone in combination with nitrogen extracted from the air. One of the difficulties which this project presents is the variation in the head of water available at the dam between the flood and low levels. Transport is also a determining factor owing to the distance from Aswan to the Delta districts. There has also been talk of manufacturing superphosphates at Suez.

LEATHER

Raw Hides.—Total imports of raw hides and skins in 1935 amounted to £E16,379, mostly ox, cow, or calf hides, dried. This compares with £E5,831 in 1934.

Tanned Hides.—There are a number of tanning establishments in Egypt which supply not only the local market but carry on a substantial export trade with the neighbouring countries, especially in hides tanned with vegetable substances. As a result there is little demand for sole leather from abroad, the local production being practically sufficient.

Total imports of hides and skins, simply tanned, were valued at £E8,108 in 1935, the chief item being hides, backs and butts, tanned with vegetable substances, amounting to £E5,977.

Varnished Leather.—Imports of varnished, lacquered, moroccoed, or dyed leather last year totalled £E84,249 as against £E74,848 in 1934. Of last year's total the United States is credited with £E32,568, chiefly patent leather. The Dominion has a share of this trade. The other countries of supply for this category of leather last year were chiefly Germany (£E19,293) and Hungary (£E13,290). Apart from patent leather, this category includes box-calf, glazed kid, and leather of similar grades.

Gloves.—Imports of leather gloves in 1935 totalled 63,318 pairs (£E11,305).

Machine Belting.—The value of imports of machine belting last year was £E13,702. The United Kingdom was credited with £E7,448, France with £E3,601, Belgium with £E843, Germany with £E667, and the United States with £E523.

Fur Skins.—Imports of fur skins, raw, in 1935 amounted to £E299; prepared, whole or sewn, to £E10,344; and worked or manufactured, to £E5,208. Canada has a share in these imports.

Footwear.—There are many small shoemaking establishments in Egypt, but the number of modern plants which possess machinery is increasing. This industry has received tariff assistance and imports have greatly decreased in the last few years.

The following table shows the number of pairs and value of principal classes of footwear imported in 1935 and 1934:—

	1935		1934	
	Pairs	£E	Pairs	£E
Top boots	143	347	33	143
Boots and shoes wholly or mainly of leather..	42,861	18,001	42,714	18,411
Children's footwear.. . . .	1,851	283	1,355	223

Czechoslovakia supplies about two-thirds of the imports.

RUBBER

There is but a single establishment in Egypt manufacturing rubber goods, its production being limited to rubber tubing, gaskets, and similar goods for industrial use, apart from rubber mats, heels, and soles.

Total imports of rubber goods, excluding footwear, amounted to £E197,190 compared with £E150,431 in 1934. The increase was chiefly in rubber tires and tubes.

The range and value of imports of rubber products during 1935 are illustrated in the following table:—

	Kilos	£E
Rubber, raw	45,287	2,400
Flexible rubber sheets, bars or bends	15,299	1,375
Rubber sheets for crepe soles	18,310	1,545
Hardened rubber (ebonite) sheets	1,419	298
Rubber sheets with metal or fabric	4,837	642
Non-vulcanized rubber for dentists	3,966	1,395
Rubber thread	10,733	1,624
Tires, rubber, solid	32,606	2,556
Tires, rubber, hollow, for automobiles	774,485	108,120
Pneumatic rubber tubes for automobiles.. . . .	107,023	13,965
Tires, rubber, hollow, for cycles.. . . .	74,946	9,836
Pneumatic rubber tubes	30,457	4,563
Rubber tubing and piping	76,166	9,214
Hygienic rubber goods	38,942	13,602
Belts and industrial rubber goods	25,050	6,214
Rubber heels and soles	97,077	6,448
Floor covering, of rubber	22,098	2,063

Automobile Tires and Tubes.—Total imports of rubber tires for automobiles into Egypt last year amounted to £E108,120 for 45,609 units as against 39,847 units (£E78,251) in 1934. Last year the United States supplied 15,616 tires (£E40,191), Italy 10,285 units, the United Kingdom 9,095, France 6,721, and Belgium 2,410.

Pneumatic Tubes for Automobiles.—These imports last year amounted to £E13,965 for 53,311 units. The number of tubes imported from the United States was 17,220, from Italy 8,886, from France 13,786, and from the United Kingdom 8,367.

Heels and Soles.—Rubber heels and soles are imported from Austria, Germany, Italy, and the United States. Imports decreased from £E6,912 in 1934 to £E6,448 last year.

Footwear.—Some 67,845 pairs of footwear, made entirely of rubber and valued at £E4,781, were imported in 1935, a slight decrease as compared with 1934.

Last year Egypt imported 674,605 pairs of footwear made of fabric with stuck rubber soles of a total value of £E34,114 as against 472,175 pairs (£E22,499) in 1934. Price is the main consideration in this market, and as a result Japan has the largest trade in this article with 562,918 pairs in 1935, followed by Czechoslovakia with 102,593 pairs.

WHEAT ACREAGE AND PRODUCTION IN THE UNITED STATES

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, June 12, 1936.—Judging by present winter wheat crop prospects and the anticipated reduced carry-over on July 1, it is uncertain whether the United States will have a sufficiently large exportable surplus of wheat to reduce prices to export levels. The Bureau of Agricultural Economics, United States Department of Agriculture, estimates that with a small winter wheat crop the size of this year's surplus will be largely dependent upon the outturn of spring wheat. Computed on the basis of anticipated acreage, and latest reports on growing conditions, it is believed that the spring wheat crop may bring the total wheat outturn to about 700,000,000 bushels. With anticipated July 1 carry-over stocks reduced both in quantity and milling quality, a crop of this size would probably be entirely absorbed in the United States and domestic prices average slightly above export levels.

WINTER WHEAT PROSPECTS

The official estimate of winter wheat yield on June 1, as announced on June 10, is placed at 482,000,000 bushels, which compares with an estimate of 463,708,000 bushels on May 1 and an actual yield last year of 433,447,000 bushels. The 1928-to-1932 average was 618,000,000 bushels. The crop reporting board in Washington states that in May heavy general rains benefited late crops and ranges in the southern area from Central Nebraska and Northeastern Colorado to the Rio Grande. However, in much of this area winter wheat was too far advanced to be benefited. Substantial rains also fell in May in Washington and Western Oregon, but in other parts of the country hot, dry weather gave most crops a poor start.

On May 1 the crop was estimated at only 7 per cent above the small production of last year and the fifth light crop in succession.

It is estimated that the abandonment of acreage seeded for the 1936 crop has been 24.4 per cent, leaving 35,932,000 acres for harvest. The following table gives conditions, acreage, and estimated yield for winter wheat as compared with the actual harvest figures in previous years:—

Year	Condition	Acreage	Crop (Bushels)
1936	66.7	35,932,000 ¹	482,000,000
1935	74.2	31,000,000	433,447,000
1934	55.3	32,945,000	405,034,000
1933	64.0	28,420,000	350,792,000
1932	64.7	33,656,000	478,291,000
1931	84.3	41,357,000	817,962,000
1930	71.7	39,463,000	631,205,000
1929	79.6	40,580,000	586,055,000

¹ May estimate.**SPRING WHEAT**

Based on a condition of 66.9 per cent the acreage planted to spring wheat indicates a crop of approximately 200,000,000 bushels. The size of the crop still depends upon weather conditions during June and July. Studies made by the Bureau of Agricultural Economics, Washington, of the effect of weather on yield in the spring wheat belt rather indicates that variations in June temperatures are most important in affecting yields, whereas April and May precipitation and July temperatures respectively are next in importance. Precipitation in the spring wheat belt during April averaged less than 50 per cent of normal, with South Dakota receiving the most moisture and North Dakota the least. Work was about eight days late in the spring wheat belt, and there was a tendency for farmers to seed on poorly prepared land.

ACREAGE

United States spring wheat acreage is believed to be in the vicinity of 22,440,000 acres in 1936, compared with 18,826,000 acres in 1935 and 9,281,000 acres harvested in 1934.

This acreage for spring wheat compares with 24,354,000 acres in Canada in 1936, 23,560,000 acres in 1935, and 26,646,000 acres in the Canadian peak year of 1932.

Winter wheat area remaining for harvesting in the United States is 35,932,000 acres compared with 31,000,000 acres in 1935. This compared with winter wheat remaining for harvest in Canada at 338,000 acres. The following condensed table gives a resumé of the wheat area in Canada and the United States for the years 1934 to 1936.

Country	Year of Harvest		
	1934	1935	1936
United States—	1,000 Acres	1,000 Acres	1,000 Acres
Winter	32,968	31,000	35,932
Spring	9,281	18,826	22,440
Canada	23,985	24,116	24,892
Total	66,234	73,942	83,264

WHEAT STOCKS

Total wheat stocks in the United States on April 1, 1936, were estimated at 278,200,000 bushels compared with 293,600,000 bushels in 1935 and 401,300,000 bushels in 1934. These estimates were based on returns to the Bureau of Agricultural Economics from crop reporters and from the Bureau of Census representing merchant mills.

Imports for the April-to-June period are expected to taper off and net imports may be less than 3,000,000 bushels. If these imports are added to April 1 stocks, the total supplies at the end of June should approximate 280,000,000 bushels.

Against this total wheat available, current grinding will doubtless account for between 115,000,000 and 120,000,000 bushels, and if allowance of perhaps 40,000,000 bushels be made for seed and feed in addition to the amount for flour, this would make a total prospective disappearance of between 155,000,000 and 160,000,000 bushels and would cause stocks at July 1, 1936, to be net approximately 120,000,000 bushels to 125,000,000 bushels.

Bradstreet's visible supplies of United States and Canadian wheat on May 30 indicate 195,843,000 bushels compared with 234,567,000 in 1935 and 279,459,000 in 1934.

Australian visible supply is given as 18,250,000 bushels compared with 50,000,000 bushels a year ago.

Broomhall's total for the world's visible supply on May 30 is given as 272,596,000 bushels of wheat.

POINTS FOR EXPORTERS TO CHILE

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, May 15, 1936.—The Republic of Chile, situated on the west coast of South America, has a coastline of some 2,800 miles; the average width of the country is about 100 miles. It is bounded on the north by Peru, on the east by Bolivia and Argentina, and on the south and west by the Pacific Ocean. Chile has an area of 289,810 square miles. The republic may be roughly divided into three areas: the deserts of the north, the arable lands of the centre, and the forest regions of the south. There may also be added the Patagonian and Magallanes area, the centre of the sheep-raising industry, which is sparsely

populated. The agricultural areas are estimated at some 40,000 square miles, or approximately an eighth of the entire territory. The remainder of the country is mountainous.

POPULATION

The census of 1930 indicated that the population of Chile at that time was 4,271,398. The mass of the people are mestizos of mixed Spanish and Indian race. In the middle class foreign blood predominates; the upper class is of Spanish descent, with infusions of British, Irish, and other European nationalities. The foreign population of the south of Chile is of German descent and immigration.

CLIMATE

The seasons, which are opposite to those of the Northern Hemisphere, are usually distinguished by the abundance or lack of rain. The climate, however, varies according to latitude or natural conditions. In the northern or desert area there is practically no rain, in the centre there is some but it is not abundant, and in the south rains are frequent. In the far south precipitation is very heavy, in some places as much as 130 inches per annum. The Humboldt Current and the mountains also have an effect. Around Santiago there is a long dry season, and in southern Chile a long rainy season.

NATURAL RESOURCES

AGRICULTURE

The agricultural zone has been highly developed in the rich central valley extending from a little north of Valparaiso to Valdivia in the south. Agriculture is the principal industry, and although it would appear that the country should be self-supporting, large quantities of rice, sugar, and beef are still imported. The products chiefly grown include grains, fruits, and vegetables, the export of which is rapidly increasing. Primitive methods of production are slowly giving way and production is extensive rather than intensive. It is estimated that Chile has some 95,000,000 acres of arable land, of which only some 2,300,000 are sown. About 2,500,000 are irrigated.

Fruit farming has undergone considerable development so that fresh, dried, canned, and preserved fruits form important export items. Among these are included peaches, pears, plums, apricots, melons (honey dew), apples, strawberries, raspberries, loganberries, and currants. Among other items under this heading appear alligator pears, almonds, olives, cherries, oranges, lemons, walnuts and raisins. Fruit export has grown from 83,000,000 kilos in 1930 to 127,000,000 in 1932 and 138,000,000 kilos in 1933. The Chilean Government is making a determined effort to increase fruit exports, and under the Department of the Ministry of Foreign Affairs has established inspection and control of fruit exports at the principal ports. Special attention has been and is being paid to apples.

The wine industry is a growing one, and to this too the Government is lending aid, having by decree made provision for the establishment of a series of bonded warehouses in the chief wine-growing districts. Ten of the leading areas are to have "bodegas" (warehouses) of 50,000 hectolitres capacity. Large terminal wine depots are to be established at Valparaiso, San Antonio, Constitucion and Talcahuano. About 90,000 hectares owned by 35,000 growers are devoted to the wine grape; 83 per cent of the exports go to Europe.

Among the vegetables produced and exported are lentils, beans, onions, kidney beans, potatoes, and peas. Cotton is now being produced and supplies approximately 33 per cent of internal requirements. Rice is grown in the south as well as tobacco. Exports of honey in 1933 were 1,120 tons as against 2,370 tons in 1932. Quillay or soap bark is also produced and exported.

The chief sheep-farming area is in Magallanes. The 1930 census gave the sheep population as 5,855,370: they are the source of large exports of mutton, wool, and sheepskins. Census returns of that same year indicated 2,322,633 cattle, 750,879 goats, 327,553 pigs, and 411,461 horses.

FISHERIES

Fish of excellent quality abound within 30 miles of the long seacoast. The species include haddock, soles, conger and others, as well as anchovies, oysters, and lobsters. The total catch of edible fish is estimated at 20,000 tons per annum.

LUMBER

Several hundred sawmills operate in the southern zone, and approximately one-fourth of the total area of Chile is forest-covered. Included in the varieties are rauli and roble—species of beech; laurel—used as an imitation for walnut and cedar; luma—similar to hickory; and Chilean pine, a soft wood.

MINING

Chile, which is the chief mining country of South America, supplies about two-thirds (by value) of the total continental output of minerals and metals. The nitrate of sodium deposits are still the chief source of mineral wealth but no longer command a monopoly of the market for fixed nitrogen. Chile's share of the world supply of nitrogenous fertilizers has dropped from 75 per cent twenty years ago to 10 per cent, and the number of workmen employed in this industry has fallen from some 61,000 in 1927 to 16,110 in 1934. Nevertheless, exports during the nitrate year 1933-34 totalled 1,130,000 metric tons. Iodine, which is a by-product of the nitrate trade, is supplied by Chile up to 90 per cent of world consumption.

COPPER

Copper is the second mineral product of the country and it is shipped in the raw state as concentrates, bars, and ingots, and from two works in the refined electrolytic form. Three United States firms, the Andes Copper Company, the Chile Copper Company, and the Braden Copper Company, are responsible for 90 per cent of the output. Exports of electrolytic copper in bars in 1934 amounted to 959,091 gross quintals valued at 68,558,346 pesos, while exports of blister or standard were 1,438,973 gross quintals valued at 88,017,831 pesos of 6d. gold.

Iron exists in several provinces, both hematite and magnetite being worked. Due to low phosphorus content, the ore yields some 67 per cent. Exports of iron ore for the first six months of 1934 amounted to 508,000 tons, and the Chilean Government is supporting a scheme for rendering the country independent of steel and iron imports by establishing an electro-metallurgical works near Valdivia. Chile is one of the few South American producers of coal, with an output of from 1,500,000 to 2,000,000 tons annually. Other minerals include silver, gold, manganese, molybdenum, lead, aluminium, plumbago, bismuth, cobalt, saltpetre, mica, zinc, and clay. Sulphur deposits are also being worked and common salt is found abundantly.

INDUSTRIES

During the past ten years the industrial output of Chile has doubled. There are well over 6,000 manufacturing establishments throughout the country, with a capital of 1,466,587,000 pesos and employing over 300,000 persons. Electrical energy is readily available, and 3,000 factories in the Santiago-Valparaiso area use electricity. The value of factory output is in excess of \$250,000,000 (United

States currency) annually, manufacturers concerning themselves chiefly with the production of low-priced goods. Among the more important industries are the following: woollen and worsted cloth, cottons, silks, leathers of all kinds, furniture and woodworking, wood-pulp and paper, cement, explosives, brewing, sugar-refining, glass-making, soap, hat, tobacco, railway equipment, iron and steel products, mineral waters, wines and spirits, jute and bagging, turpentine, and aeroplanes.

FOREIGN CAPITAL INVESTMENT

United States capital is dominant in Chile, particularly in public utilities, loans, and trading. The amount is computed as between \$700,000,000 and \$800,000,000 United States currency, and is followed by the United Kingdom with some \$500,000,000 United States currency. German, Italian, and French interests also appear.

FOREIGN TRADE

Total imports into Chile in 1934 amounted to 241,713,634 pesos of 6d. gold. The principal sources of supply with corresponding amounts were: United States (69,515,442), United Kingdom (56,018,236), Germany (24,599,495), Peru (21,188,142), France (9,113,982), Japan (8,503,885), Argentina (6,003,671).

Total exports in 1934 amounted to 469,831,955 pesos, and were chiefly sent to the United Kingdom (103,893,311), the United States (89,426,186), Germany (20,037,396), Italy (16,630,469), Belgium (12,995,915), and Sweden (9,716,093).

The chief imports into this market, by groups, are: textiles and threads; chemicals, oils and petroleum; industrial machinery; electric machinery and apparatus; iron and steel and its products; foodstuffs—tea, coffee, and yerba mate; sugar; manufactures (paper, ceramics, scientific apparatus, rubber); combustible oils; vehicles and parts and repairs; live animals (cattle and sheep).

LANGUAGE

Spanish is the language of Chile and is the only one generally used in business.

CURRENCY, WEIGHTS AND MEASURES

The unit of currency is the peso, which is currently quoted at \$0.0545 United States currency. The abbreviation m/c (moneda corriente) usually follows the amount. The metric system of weights and measures is obligatory, all other measures being forbidden by law.

POSTAGE

The postage on letters from Canada to Chile is 3 cents for the first ounce and 2 cents for each additional ounce. Letters may be registered. Parcel post services extend to all post offices in Chile. No insurance is available. Parcels must be packed in strong materials and should be sealed with wax, lead, or other materials of a similar nature. Shipments weighing up to 20 pounds may be made from Canada. Every care should be exercised in the declaration of value of the contents of a parcel, as incorrect declarations result in heavy fines upon the addressee. The forwarding of letters containing absinthe, adulterated food products, and articles injurious to health are prohibited. Arms and munitions of war, pharmaceutical products, and saccharine are subject to special import restrictions. Parcels packed in paper only are not accepted.

SHIPPING FACILITIES

At the present time there is no direct steamship service from Eastern Canada to Chilean ports. There is a weekly direct service via the Grace Line from New York; a monthly service by the West Coast Line, whose ships during the naviga-

tion season also load newsprint at St. Lawrence ports, later calling at New York, the agents of the line being Wessel, Duval & Co., and frequent sailings by the Chilean North American Line, which likewise operates out of New York. The Grace Line also operates a service from Vancouver to Chilean ports, as does the Westfal-Larsen Line, whose agents are the Empire Shipping Co., Vancouver.

COMMERCIAL CENTRES

The principal port of Chile, and also the most important commercial centre on the West Coast of South America, is Valparaiso, with a population of approximately 195,000. It has a modern port works, large, well-equipped warehouses, and electrical handling equipment. Local products include rolling-stock, wagons, refined sugar, beer, canned fish, enamelled iron, cement, soap, clothing, furniture, boots and shoes, cigars, and small boats. Viña del Mar, a residential suburb, has a population of some 50,000.

Santiago, which is the capital and seat of government as well as the most important city in Chile, has a rapidly growing population of 800,000 and is the fourth largest city in South America. It is some three hours distant by electric train (186 kilometres) from Valparaiso, and is the industrial and business centre of the country. The principal industries include agriculture and mining, flour mills, foundries, machine shops, wood-working plants, tanneries, carriage factories, breweries, shoe and soap factories. Large secondary industries have been developed during the past ten years, and there are many important wholesale importing firms who cover practically the entire republic.

Other centres of importance include Antofagasta (60,000), 580 miles north of Valparaiso. It is a principal port in the Bolivian transit trade and the most important in northern Chile, as well as being the entrepôt for the mining centre and principal towns of Bolivia. Concepcion (80,000) is the most important city in southern Chile, some 360 miles from Santiago. It is a distributing centre for the south of Chile and the centre of agricultural wealth, including live stock. The centre of the coal-mining industry is in the same neighbourhood. Remaining cities and towns of importance together with chief commercial interests follow: Arica (13,000), port, terminus Arica-La Paz Railway—borax, tin, hides, sulphur, and agricultural produce; Coronel (15,000), coal mines; Iquique (37,000), port and centre of nitrate and iodine production; Magallanes (30,000, chiefly European) is the most southerly town in Chile, 1,427 miles from Valparaiso—wool, mutton, and coal-mining.

OPPORTUNITIES FOR CANADIAN PRODUCTS

Chile's economic condition has improved considerably during the past two years, particularly as the result of increased exports of nitrates, copper, and agricultural products. The rapid development of secondary industries behind a highly protective tariff has resulted in national production fulfilling the needs of many formerly imported articles. However, opportunities still exist for mining equipment of all kinds, machinery of all kinds, electrical apparatus, goods and accessories, agricultural implements, woodworking machinery, newsprint, hardware, forged iron and steel, thoroughbred live stock, soya bean oil, canned salmon, sardines, thread for looms, paraffin, calcium carbide, wood-pulp, piping and tubing, automobile tires and tubes, automobile batteries and accessories, railway and public utility equipment of all kinds and similarly related lines, particularly those generally referred to as raw materials such as aluminium, nickel, and asbestos.

QUOTATIONS AND TERMS

Quotations should be c.i.f. Valparaiso. Generally speaking, factory quotations are of little value, although in a few odd cases some firms will consider f.o.b. seaboard prices. It is almost impossible for Chilean importers to estimate inland

freight rates in Canada, and it should be clearly indicated whether or not prices quoted are net or include commissions, discounts, etc. In view of the fact that no Canadian bank operates in Chile, many importers request quotations in United States dollars or sterling. Terms vary from 30 to 90 days, sight drafts against documents, or longer, depending upon the product and the standing of firms. Competition is principally from European, British, United States, and Japanese sources, with exporters in these countries willing at times to extend more than the aforementioned time plus such added factors as special export currencies, "Aski" marks, etc. In view of the willingness of West Coast of South America banks to furnish confidential reports upon their customers, it is strongly urged that Canadian exporters request their customers to have their banks supply this information on all first orders, thus permitting the Canadian exporter to judge, in some degree, the credit standing of the buyer. The Canadian Trade Commissioner at Lima, Peru, to which office Chile is assigned, will gladly co-operate in this regard.

ADVERTISING

Advertising plays a very important part in the marketing of many articles in Chile. Chile is plentifully supplied with newspapers and magazines, and bill-boards and other advertising devices are prominently displayed. Since Spanish is the language of the country, it is recommended that any advertising expenditure be directed by the exporter's agent or representative in conjunction with a local advertising agency. Advertising material is dutiable, but single catalogues are admitted free.

COMMERCIAL TRAVELLERS

Commercial travellers must register in the first town called at if they intend to remain ten days or more in the country. Travellers should arrange for orders to be placed through a local agent and should not do business direct as heavy fees are payable for licences when there is no local representation and such licences are required for each separate department visited. The scale of fees is as follows:—

In towns of more than 40,000 persons	3,000 (pesos)
In towns of more than 20,000 but less than 40,000 persons ..	2,000
In towns of more than 10,000 but less than 20,000 persons ..	700
In towns of less than 10,000 persons	600

These fees can be avoided by working through a representative in the country. Travellers who remain less than six months pay one-half the fees mentioned. There are no special restrictions on travellers' samples except that they must be accurately declared on entry.

REPRESENTATION

Chile, like most West Coast of South America countries, is essentially a price market, and its import trade, though formerly handled almost exclusively by long-established merchant houses, who in many cases act as exclusive agents, is constantly undergoing a change tending toward more direct importation. Part of the trade is now handled by agents on a commission basis, branch establishments of foreign houses, and indent houses in New York, London, and European trade centres. The large mining companies buy through their own purchasing departments, principally in New York and London. The public utilities operate in a similar manner. Local purchases on the part of these firms are largely restricted to native products. Since the majority of the older import houses already handle a greater number of lines than they can do justice to, the most satisfactory representation, on the whole, would be through resident agents or firms selling on a commission basis or for their own account. Advertising must be in Spanish.

EXCHANGE

Exchange restrictions are in effect in Chile, and all foreign exchange operations are under the control of an Exchange Control Committee. Under date May 15, 1936, it was announced that foreign exchange would not be granted for automobiles, radios, and other luxury goods, such exchange being conserved for products of prime necessity. Exchange for articles other than these products is granted only when proof is shown that they have arrived at a Chilean port. At the present time there is ordinarily a delay of approximately one week to ten days between the request for foreign exchange on the part of a bona fide importer and its grant by the Exchange Control Board. Only the Central Bank of Chile is authorized to buy and sell international exchange, but operations are conducted through unofficial channels and such rates as well as the official ones are daily quoted in the press.

PATENTS AND TRADE-MARKS

Both patent and trade-mark laws are in effect in Chile, and foreign marks and patents are protected when application and proper filing under the respective laws is complied with and fees involved are paid. Trade-marks should be registered, but this should in all cases be arranged by Chilean solicitors specializing in this work.

EXCHANGE AND FOREIGN PAYMENTS IN BRAZIL

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, May 25, 1936.—With the publication of figures relative to Brazil's international trade for 1935, it is possible to gauge, to some extent, the conditions affecting her capacity to find foreign exchange for meeting her obligations abroad. Apart from foreign capital invested in Brazil, tourist expenditures and salary payments and commissions, etc., to foreigners residing in Brazil, there is practically no source of income of foreign exchange other than that derived through goods sold abroad. Therefore a favourable balance of trade is of the utmost importance to Brazil.

In 1935 the favourable balance, £9,049,148, was lower than it has been in many years past. Nominally, this should meet all fixed and variable payments which Brazil has to make in foreign exchange, with the exception of the payment for goods imported. In 1935 fixed expenditures to the account of foreign debt and credit payments amounted to £9,165,553, to which must be added the expense of maintaining consular and diplomatic services abroad, immigrant remittances, and expenses of individuals travelling abroad, probably amounting to over £2,000,000. Taking all these exports of exchange into account, it would appear obvious that the favourable balance was insufficient. However, in the case of practically all exports from Brazil, exporters are obliged to turn over to the Bank of Brazil a certain percentage of the value of these bills in foreign exchange, at a rate fixed by the bank. The exchange so obtained is then available for governmental requirements.

In 1935 the Government obtained from this source about £19,000,000 sterling. It may be said therefore that the deficit which resulted from the 1935 income and expenditure in foreign currency must be borne by commerce. In other words, if on December 31 Brazil had been obliged to pay for all goods imported, up to that day, there would have been a shortage to the extent of the amount of international currency represented by the deficit.

The reason that this has not caused an apparent shortage of exchange or a marked fall in the value of the milreis may possibly be due to the fact that there is still considerable import business done in Brazil in long-term bills of 60, 90, or 120 days, and the deficit has not as yet equalled the amount of the value of these bills which have not yet matured.

A further burden on the foreign exchange available for 1935 was the necessity of supplying exchange for goods imported prior to February 11, 1935, which on that date became blocked. It is reported that the amount so expended amounted to over £4,000,000 in 1935.

In 1936 this item will be superseded, to a great extent, by payments under blocked account agreements entered into with the United Kingdom, the United States, and other countries, which will require an expenditure of some £3,500,000, while foreign debt service and credit payments will amount to over £10,000,000.

Much will depend, of course, on the results of the foreign trade. In 1935 there was an increase in both imports and exports, but the acceleration in the increase in imports was greater than in the case of exports and, as far as the first two months of 1936 are concerned, the position appears to be unchanged.

THE IMMEDIATE POSITION

World prices for the principal commodities of Brazil are depressed, particularly in the case of coffee, which represents over 50 per cent of the exports. If exports increase in value for 1936 or imports decrease, the international position of Brazil will be bettered correspondingly. On the other hand, if conditions continue as in 1935, it would appear that there will be increasing difficulty in obtaining foreign coverage with which to meet her commitments of every kind. Canadian exporters accordingly will be well advised not to create long-term dollar accounts in Brazil, a course they have followed in the past year. For, should Brazil be forced to return to a regime of controlled exchange, it is quite probable that any accounts outstanding at such a time would become frozen and delay would accordingly be suffered in obtaining settlement.

TRADE OF PERU IN 1935

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(One sol equals 28 cents Canadian at par of exchange).

Lima, May 1, 1936.—The total volume of trade during the year amounted to 3,132,790 tons, being the highest figure recorded in the history of the country and representing an increase of $7\frac{1}{2}$ per cent over that of the previous year. In value it amounted to soles 489,988,972 as compared with soles 476,346,229 in 1934 or an increase of 2.8 per cent. As compared with 1933, the returns for 1935 show an increase of 22 per cent in volume and 30.75 per cent in value. The value of the trade, however, has not reached that attained in the years 1927, 1928, or 1929.

IMPORTS AND EXPORTS, 1930-35

The following table shows the imports and exports into Peru by volumes and values for the years 1930-35 inclusive:—

Year	Weight Metric Tons		Values Soles	
	Import	Export	Import	Export
1930	426,937	2,020,818	140,261,247	235,985,304
1931	316,571	1,708,238	102,478,580	197,417,166
1932	233,976	1,610,062	76,088,927	178,529,111
1933	259,127	2,124,436	107,436,810	256,969,344
1934	385,063	2,526,454	171,252,552	305,093,677
1935	501,719	2,631,071	181,065,523	308,923,449

IMPORTS BY COUNTRIES

Detailed returns will not be available until towards the end of the year, but a general summation of the import trade can now be made from such returns as are available. Preliminary returns of Canadian imports do not agree

with figures of Canada's exports to Peru, but this is explained by the lack of direct steamship service from Canada to the West Coast of South America and the necessary transshipment either at New York or the Panama Canal.

The following table indicates the principal import sources together with relative percentages:—

Country	1935	
	Value (Soles)	Percentage
United States	58,152,434	33.275
Germany	24,755,924	14.165
United Kingdom	23,966,127	13.713
Argentina	13,723,587	7.852
Japan	9,157,365	5.240
British India	6,097,596	3.489
Italy	5,726,563	3.277
France	4,602,911	2.634
Chile	4,586,871	2.625
Belgium	3,617,887	2.070
Canada	3,336,446	1.909
Ecuador	3,227,713	1.847
Sweden	2,418,816	1.384
Czechoslovakia	1,122,879	0.643

The total value of imports in 1935, including postal parcels, amounted to S/181,065,524 as compared with S/171,252,552 in 1934. This indicates an increase of 5.7 per cent as compared with 1934. On the other hand, the volume of imports rose to 501,406 metric tons in 1935 as against 384,758 in 1934.

Further examination of returns indicates an increase of S/13,500,000 in imports under the heading "tools, machinery and vehicles." On the other hand, imports of arms and munitions dropped S/16,000,000.

NOTES ON IMPORT COMMODITIES

Textiles.—Importations of cotton goods in 1935 were some S/5,000,000 less than in 1934, amounting to S/15,099,661 in comparison with S/19,739,728. The quota system as applied to cotton imports in 1935 in an endeavour to protect the national industry undoubtedly had a bearing on the foregoing results, particularly in the case of Japanese imports. Importations under this heading were divided as follows: threads, S/2,052,888; fabrics and cloths, S/9,494,266; and manufactures, S/3,474,513.

Imports of woollen goods rose to S/5,489,924 as compared with S/4,162,537 in 1934. The importation of thread and yarn was approximately the same as last year, S/581,700; an increase occurred in the importations of woollen fabrics and cloths, which amounted to S/3,949,772; importations of manufactured woollen goods amounted to S/719,383.

Articles of linen, hemp, jute and analogous textiles (fibrous), in which item appears jute bags and jute for wrapping and of which British India is the chief supplier, were imported to the amount of S/6,628,089 as against S/5,738,871 in 1934. Jute bagging and sacking is principally used in the sugar and cotton industries of the country.

The importation of natural and artificial silk during 1935 amounted to S/3,476,048 as compared with S/3,368,871 in 1934. This amount was composed as follows: threads, S/1,415,576 as compared with S/847,479 in 1934; cloths and fabrics, S/1,200,606; and manufactures, S/859,818.

OTHER CATEGORIES

Leather.—Imports under this heading amounted to S/1,336,641, of which hides and skins were S/885,865, and manufactures S/450,776. Imports during 1934 amounted to S/1,058,109.

Furniture.—Importations during 1935 totalled S/60,134 of furniture of wood, and S/284,307 of metal furniture. In 1934 total importation amounted to S/280,386.

Metals.—An increase of S/2,000,000 is noted under this heading as compared with 1934, which were double those of 1933. The total importation in 1935 was S/20,726,750, composed as follows: manufactured articles of iron, aluminium, tin, lead, and zinc, S/12,516,123; metals in bulk and prepared for industry, S/6,140,421; manufactures of copper and its alloys, S/1,435,095; and precious metals and jewellery, S/635,111.

Stones, Earths, Ceramics, and Crystals.—Total, S/5,345,963 compared with S/4,104,213 in 1934.

Lumber.—Total, S/5,538,077 as against S/5,658,599 in 1934.

Colourings, Oils, Bitumens, and Gums.—S/13,702,837 in 1935 and S/8,161,790 in 1934.

Live Animals.—Total, S/359,167 compared with S/293,343 in 1934.

Stationery Articles.—Total, S/963,806 compared with S/807,812 in 1934.

Paper and Cardboard.—Total, S/5,598,352 compared with S/5,204,813 in 1934.

Tools and Instruments.—Total, S/3,583,091 compared with S/3,089,015 in 1934.

Machinery and Vehicles.—This item occupied first place in importations during the past year, amounting to S/39,145,284 as compared with S/25,765,926 in 1934.

Arms and Munitions.—Imports under this item amounted to S/4,293,625 in 1935.

Electrical Goods and Apparatus.—Total, S/6,641,978 as against S/4,488,793 in 1934.

Sports Goods.—Total, S/1,345,816 compared with S/976,484 in 1934.

Beverages and Liquors.—Total, S/973,998 compared with S/775,338 in 1934.

Foodstuffs and Specialties.—Imports of foodstuffs formed the second largest item in the import trade of Peru, having a value of S/22,431,510 as compared with S/24,242,365 in 1934. More than 50 per cent was made up of wheat imports, which in 1934 represented S/13,600,000. However, during the past year 137,190 metric tons were imported as against 124,493 in 1934. Argentina and Chile were the suppliers.

Chemical, Pharmaceutical, and Biological Products.—These amounted to S/8,811,442 as compared with S/7,746,153 in 1934. The importation under this heading is distributed as follows: chemical and pharmaceutical products, S/5,599,225; and pharmaceutical specialties, S/1,684,906; drug items, S/1,152,413; and biological products, S/372,898. The increase in imports occurred almost entirely under chemical products.

EXPORTS

Although the total volume of the exports of Peru rose to 2,631,071 tons as against 2,526,435 tons in 1934, an increase of 4.1 per cent, the value amounted to only S/308,923,449, or an increase of 1.25 per cent.

Cotton.—Cotton exports in 1935 amounted to 1,680,500 quintals or 217,218 quintals above those of the previous year, equivalent to an increase of 14.8 per cent. The value of cotton exports was S/80,679,834 as compared with S/81,705,579 in 1934. This evidences the diminution of cotton unit value during the past year from that of the previous one. Cotton constitutes the most important export factor in Peru's trade and is the product that most clearly indicates the economic prosperity of the country.

Sugar.—During 1935, 325,432 metric tons of sugar were exported valued at S/25,544,742 as compared with 317,549 tons valued at S/26,473,531 in 1934. These return indicate an increase of 2.48 per cent in volume but a decline of 3.62 per cent in value.

Wool.—Wool exports amounted to 5,652 tons valued at S/7,625,101 as compared with 5,279 tons valued at S/8,748,014 in 1934. These returns indicate a 7 per cent increase in volume and a 16 per cent decrease in value over 1934.

Cotton Derivatives.—Under this heading are included cotton seed, oil, cake, flour and meal, and linters. During 1935, 65,374 tons valued at S/3,136,225 were exported as compared with 58,441 tons valued at S/2,670,130 in 1934, or an increase of 11.8 per cent in volume and 17 per cent in value over 1934.

Hides and Skins.—Exports of these two products changed but little from that of 1934 and amounted to 2,661 metric tons valued at S/2,653,000.

Coffee.—Exports of coffee in 1935 are shown at 2,235 metric tons valued at S/1,508,374.

Gums and Resins.—Although exports under this heading annually increased, and amounted to 785 tons valued at S/381,616, the unit value was below that of 1934 when exports amounted to 612 tons valued at S/403,424. As a result an increase in volume but a decrease in value is noted.

Crude Petroleum.—From the point of view of value exports of crude petroleum form the second largest item in Peruvian trade figures. Exports of crude petroleum were 1,426,808 tons, representing a value of S/72,715,722 as compared with 1,351,334 tons valued at S/71,582,148 in 1934.

Petroleum Derivatives.—The exportation of petroleum derivatives obtained from the distillation of petroleum rose to 495,758 tons valued at S/40,882,074 as against 500,465 tons valued at S/45,883,113 in 1934. As is noted, there has been a small diminution in volume and a considerable increase in value.

Petroleum Combustibles.—The exportation of this product formed from the residue of the distillation of petroleum reached 102,584 tons valued at S/3,058,995 as compared with 124,685 tons valued at S/3,829,617 in 1934.

Copper in Bars.—The export of copper in bars, which at the same time contain certain silver and gold, amounted to 30,387 tons valued at S/45,481,241 as compared with 28,032 tons valued at S/27,871,879 in 1934. The exportation of this item shows that it is experienced an increase of 8 per cent in volume, whereas values have risen 63 per cent. This of course is owing to higher copper, silver and gold quotations in 1935.

Cyanide Precipitates.—Exports valued at S/2,902,851 compared with S/3,480,805 in 1934.

Silver in Bars.—Exports of silver in bars amounted to 18 tons valued at S/1,243,980, a small increase in both volume and value compared to 1934.

Other Mineral Products.—The total value under this heading rose to S/17,373,054, and represents an increase of over S/7,000,000 compared with 1934. Details are as follows:—

	M. Tons	Soles
Mineral concentrates	27,955	11,132,264
Minerals in bulk	18,354	3,820,691
Electrolytic lead in bars	5,758	1,029,592
Refined bismuth in bars	112	692,903
Lixivated sulphur	12	274,963
Lead in bars containing silver and gold	223	248,981
Bismuth in bars containing lead	35	122,596
Lead in bars containing antimony and arsenic	363	51,064

ECONOMIC CONDITIONS IN EL SALVADOR

S. G. MACDONALD, ACTING TRADE COMMISSIONER

(All values are given in United States dollars unless otherwise indicated. The medium of exchange in El Salvador is the colon. At the present 2.50 colones equal U.S.\$1 approximately.)

Mexico City, June 16, 1936.—The commercial turnover in El Salvador showed improvement in January over December, while the rise in coffee prices during the first two months of 1936 made for confidence; this was greatly minimized during March and April in consequence of the subsequent decline in prices. Coffee shipments for the first four months of the season (until February 29) totalled 249,532 bags (of 69 kilos each) as compared with 284,969 bags shipped in the corresponding period of the previous year. The early favourable price reaction allowed for an average of \$10.25 per quintal (of 46 kilos) for the best washed quality and \$8.75 for unwashed f.o.b. During March and April a material reduction took place, and although the exports totalled, at the end of April, 484,157 bags (compared with 537,083 bags as at April 30, 1935), the average price for the whole export was \$9.25 and \$8 for the two qualities respectively.

Of the total exports, about 55 per cent were consigned to the United States, mainly to West Coast ports. Of this a small portion was re-exported to Canada. Germany was the consignee for 18 per cent, but a considerable portion was diverted to other countries. An unexpectedly large sale to Scandinavia and Denmark took place during this past exporting season. As opportunity rains fell during April, a crop well above the average is expected for 1936-37.

FINANCE

Government finances for the first nine months of the fiscal year (July to March) showed a surplus, although considerably less than at the corresponding date in the previous year. Receipts during that period were 21.5 per cent above expectations, while expenditures were 11 per cent less than provided for in the budget. During March a revision of the 1922 loan contract was signed in New York; this revision provided for the resumption of payments on the foreign loan as of January 1, 1935. Customs revenues of the Government of El Salvador for the first four months of 1936 were considerably reduced from the corresponding period of the previous year, totalling \$1,513,331 as compared with \$2,287,225. The major part of this reduction was due to the considerably lower export tax on coffee put into effect during the past year.

The supply of short-term funds continued abundant and farmers found no difficulty in obtaining credits for maintenance of work on the security of the

1936-37 crop. Receipts of foreign bills were up to average during January and payments were good. During February and the succeeding months, however, there was a falling off in receipts, while payments were only average. During the first three months of the current calendar year offers of foreign exchange by coffee merchants were plentiful, but during April both offers and demand fell off considerably.

At the end of December, 1935, the Central Bank held \$618,493 of foreign exchange with a liability against government account of \$367,416; free gold purchased during 1935 and held by the Central Bank approximated \$280,000. The average selling rate for sterling and dollars respectively during 1935 was 12.41 and 2.50 colones. At the end of April, 1936, a very considerable increase in foreign exchange held was noted owing to the payments from the coffee crop being in a large measure received during the first four months of the year; as of that date it totalled \$2,172,611 with a liability against government account of \$359,349. Gold stocks were valued at 12,916,939 colones, with notes in circulation totalling 14,799,990 colones. The average selling price for sterling and United States dollars was 12.47 and 2.50½ colones respectively.

The cotton crop has been very poor with none available for export; it may not be sufficient for the needs of the local industry. Some recovery took place during April in the building trades, but no further expansion is expected within the next few months. Merchants appear to be well stocked with merchandise which is moving slowly, while imports at the beginning of May showed unmistakable signs of slowing up.

LACTIC ACID CASEIN IN JAPAN

R. S. O'MEARA, CANADIAN TRADE COMMISSIONER

Kobe, May 30, 1936.—Contrary to expectations, the close of the Australian and New Zealand shipping season has not resulted in a sharp rise in price for lactic casein on the Japanese market. From the middle of February to about the middle of March, the market stiffened from a ruling price of £36 sterling per ton c.i.f. Japanese ports to a price at the middle of March of about £40 per ton. Business was placed in January at £38 c.i.f. before the decline indicated during the first weeks of February. As a matter of fact, there is considerable fluctuation from month to month, but it is usual to find an average price of at least £40 c.i.f. from March to September. This year, however, the dealers report that prices have not advanced beyond £36, nor is there any indication of an advance unless the delicate tariff situation in Australia has an effect upon the importers in placing orders for delivery in the next few months.

Japan imports at least 3,000 tons of lactic casein a year, and the principal ports of entry lie in the territory covered by this office. The material is used by the veneer works in the north, to a small extent by the textile industry, and to a large extent by the paper and glue industries and by the electrical products industry—reached through the ports of Kobe and Osaka as well as through the port of Yokohama.

If competitive prices can be quoted, with particular reference to the season from June to October, Canadian producers have an opportunity of establishing lactic casein on the Japanese market. The most important point, apart from colour, is solubility. Any Canadian manufacturer who is able to produce a white lactic casein of low fat content with a minimum of residue ash has an opportunity in this market. It will undoubtedly take time and patience to establish brands, because importers are accustomed to purchase by brand names on the assumption of long-established quality.

ECONOMIC CONDITIONS IN SIAM

B. C. BUTLER, ACTING TRADE COMMISSIONER

(All values have been converted to Canadian dollars at the rate of one tical equals 45 cents Canadian; one ton equals 2,205 pounds)

Singapore, May 11, 1936.—The total imports of Siam during the first quarter of 1936 were valued at \$12,933,000 against \$12,725,000 in the corresponding period last year. Exports totalled \$17,767,000 as compared with \$19,839,000 in the first quarter of 1935. The decline in exports is due to the lower price for tin during the present year.

Rice constitutes over 60 per cent of the exports of Siam, and the position of this crop is far from encouraging. The rice year is from December to November, and in the first four months of the present crop year—December, January, February, and March—exports totalled 543,000 metric tons valued at \$14,975,000, which is a decline in quantity of 101,000 tons and in value of \$812,000 as compared with the same period in 1934-35. Exports of rice in the same period of 1926-27 amounted to 583,000 tons valued at \$32,400,000, and in 1930-31 the quantity was only 407,217 tons but the value was \$36,810,000. Thus, with an increase in quantity amounting to more than 25 per cent as compared with the same period in 1930-31, the value has declined by over 60 per cent.

However, the average value per ton in the period under review was \$27.58 as compared with \$25.22 in 1934-35 and \$20.30 in 1933-34. Values are therefore improving, but they still leave much to be desired.

The main difficulty is that India, China, and Netherlands India, formerly large buyers of rice from Siam, have imposed restrictions on the import of foreign rice in order to foster domestic production.

The latest crop forecast for the 1935-36 season shows that abnormally heavy rains during the harvest period have caused considerable damage, and the estimated surplus available for export has been reduced to 1,700,000 tons against an average of 1,800,000 tons during the past few years.

TARIFF CHANGES AND CUSTOMS REGULATIONS

Netherlands Import Restrictions on Sea Fish and Eels

Mr. J. C. Macgillivray, Canadian Trade Commissioner in Rotterdam, states that by royal decrees of June 3, 1936, the restrictions on the importation of sea fish and eels into the Netherlands, to which reference was made in *Commercial Intelligence Journal* No. 1638 (June 22, 1935), page 1161, have been renewed. During the period from June 1, 1936, to May 31, 1937, inclusive, imports of:—

- (a) Fresh, chilled, and frozen sea fish, except herrings, shall be restricted to 10 per cent of the net weight imported from each exporting country during the year 1935. During the same period arrivals by foreign fishing vessels shall be limited to 50 per cent of the net weight brought by them into the Netherlands during the year 1935. The previous quota was 50 per cent of the imports and arrivals.
- (b) Eels shall not exceed 10 per cent of the net weight imported from each exporting country during 1935. The previous quota was 25 per cent.

Certificates of origin are required for entry of the above-mentioned products.

Bounty for Belgian Grain Growers

Mr. Maurice Bélanger, Assistant Trade Commissioner at Brussels, reports under date May 28 that a royal decree, published in the *Moniteur Belge* of May 28, provides for the payment by the Belgian Government to Belgian producers of a bounty of 200 Belgian francs per hectare (\$2.65 per acre) grown in wheat in 1935, and 150 francs per hectare (\$2 per acre) grown in spelt, mesline, rye, and

barley. A total amount of 85,000,000 francs (nearly \$3,000,000) is set aside in the budget for that purpose. It is understood that the proceeds from the tax of 10 francs per 100 kilograms on wheat import licences are used in part to cover this expenditure.

Certificates of Origin for Belgium

With reference to the notices in *Commercial Intelligence Journal* No. 1676 (March 14, 1936, page 456) and No. 1685 (May 16, 1936, page 944) concerning certificates of origin for goods shipped to Belgium, when such goods are transhipped en route in another European country, Mr. Maurice Bélanger, Assistant Trade Commissioner at Brussels, writes under date June 2 that as a result of a royal decree published on May 30, the list of goods requiring such certificate has been extended to include, among other commodities: flax seed for sowing, medicinal plants, magnesite, preserved meat, cyanamide of lime, and artificial plastic materials. These modifications are effective as from May 27.

Spanish Tariff Increases

Mr. A. B. Muddiman, Canadian Trade Commissioner in Milan, writes that a Spanish decree published in the *Gaceta de Madrid* of May 30, 1936, increases the Spanish customs duties on many items by from 5 per cent to 20 per cent. Included among the increases are: 5 per cent on leather belting for machinery, iron or steel in bars, sheets and cables; 10 per cent on cement, asbestos, iron and steel tubes, railway sleepers, copper, aluminum, lead, zinc, machinery, wood-pulp, wheat, flour, vegetables, dried fruits; 15 per cent on cattle, electric apparatus, fish oils, vegetable oils, varnish, paper; 20 per cent on timber, leather, fertilizers, motor car bodies, pharmaceutical products, meat, fresh fish, codfish, lobsters, tires and other rubber products, alcoholic beverages.

Certificates of Origin for Netherlands India

With reference to notice in *Commercial Intelligence Journal* No. 1686 (May 23, 1936), page 993, concerning certificates of origin for Netherlands India, the Canadian Trade Commissioner's office in Singapore advises that these certificates of origin will be accepted from boards of trade in the same manner as from chambers of commerce.

Netherlands Indian Packing Legislation

Mr. B. C. Butler, Acting Trade Commissioner in Batavia, writes under date June 8, 1936, that a new packing ordinance, applicable to vinegar, comes into effect on November 15 next in Netherlands India. The regulation of the packing of margarine, butter, milk and flour is under consideration.

TENDERS INVITED

New Zealand

Copies of specifications have been received from Mr. C. M. Croft, Canadian Trade Commissioner at Auckland, for equipment required by the Post and Telegraph Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Director-General (Stores Division), General Post Office, Wellington, in accordance with these specifications. Particulars are as follows:—

Post and Telegraph Department.—120 secondary cells, 2-volt, No. 25 G7, to specification; 500 finger plates, to drawing; 250 automatic dummy dials, to drawing; 1,000 earpieces, to drawing; 60,000 cells, telephone, 1.5 volts, to specification.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 22

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending June 22, 1936, with the official bank rate. Quotations for the week ending June 15, 1936, are also given for the sake of comparison.

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 15	Nominal Quotations in Montreal Week ending June 22	Official Bank Rate
Austria	Schilling	.1407	\$.1879	\$.1884	3½
Belgium	Belga	.1001	.1694	.1697	2
Bulgaria	Lev	.0072	.0129	.0129	6
Czechoslovakia	Krone	.0296	.0414	.0415	3
Denmark	Krone	.2680	.2248	.2243	3½
Finland	Markka	.0252	.0221	.0222	4
France	Franc	.0392	.0659	.0661	6
Germany	Reichsmark	.2382	.4036	.4041	4
Great Britain	Pound	4.8666	5.0375	5.0266	2
Greece	Drachma	.0130	.0093	.0093	7
Holland	Guilder	.4020	.6773	.6800	4½
Hungary	Pengo	.1749	.2953	.2957	4
Italy	Lira	.0526	.0788	.0788	4½
Jugo-Slavia	Dinar	.0176	.0229	.0230	5
Norway	Krone	.2680	.2531	.2525	3½
Portugal	Escudo	.0442	.0455	.0454	4½
Roumania	Leu	.0060	.0074	.0073	4½
Spain	Peseta	.1930	.1367	.1371	5
Sweden	Krona	.2680	.2597	.2591	2½
Switzerland	Franc	.1930	.3238	.3262	2½
United States	Dollar	1.0000	1.0018	1.0028	1½
Poland	Zloty	.1122	.1882	.1886	5
Argentina	Peso (Paper)	.4245	.3354	.3349	—
Brazil	Milreis (Paper)	.1196	.0866	.0865	—
Chile	Peso	.1217	.0507	.0507	4½
Colombia	Peso	.9733	.5701	.5706	4
Mexico	Peso	.4985	.2781	.2784	4-5
Peru	Sol	.2800	.2492	.2494	6
Venezuela	Bolivar	.1930	.2555	.2457	—
Uruguay	Peso	1.0342	.7984	.7991	—
China (Shanghai)	Dollar	—	.2998	.3002	—
Cuba	Peso	1.0000	1.0009	1.0018	—
Hongkong	Dollar	—	.3235	.3241	—
India	Rupee	.3650	.3802	.3795	3
Japan	Yen	.4985	.2950	.2945	3.29
Java	Guilder	.4020	.6808	.6834	4
Siam	Baht (Tical)	.4424	.4620	.4605	—
Straits Settlements	Dollar	.5678	.5903	.5890	—
South Africa	Pound	4.8666	5.0312	5.0203	—
British Guiana	Dollar	1.0138	1.0494	1.0472	—
Jamaica	Pound	4.8666	5.0475	5.0366	—
Other British West Indies	Dollar	1.0138	1.0494	1.0472	—
Martinique	Franc	.0392	.0659	.0661	—
Guadeloupe	Franc	.0392	.0659	.0661	—
Australia	Pound	4.8666	4.0300	4.0213	—
Egypt	Pound (100 Piastres)	4.9431	5.1700	5.1545	—
New Zealand	Pound	4.8666	4.0625	4.0537	—
Argentina	Free	—	.2785	.2778	—
Brazil	Free	—	.0571	.0577	—
Chile	Free	—	.0407	.0407	—

The Dominion Bureau of Statistics has supplied the following note on the movement of exchange:—

The irregular rise in sterling at Montreal which carried rates upward from \$4.9486 on May 2 to \$5.0454 on June 16, appears to have come to a halt. After two days at this latter figure, sterling dropped a full cent on June 20. The French franc remained comparatively stable during the third week of June, supported by a further wave of short covering. The Bank of France statement for the week ended June 13 showed additional gold losses of \$63,500,000. Montreal premiums on New York funds advanced gradually from 0.15 per cent on June 16 to 0.31 per cent on June 20.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.

Chatham, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.
Portage la Prairie, Man.

St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.

Belleville, Ont.
Peterborough, Ont.
London, Ont.

Hamilton, Ont.
Victoria, B.C.
Prince Rupert, B.C.

Border Chamber of Commerce, Windsor, Ont.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers' Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

The Maritime Provinces Trade Commissioner, 122 Federal Building, Toronto, Ont.

The Bureau of Provincial Information, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Flour of Wheat.....	421	Pernambuco, Brazil.....	Agency.
Fresh Oysters.....	422	Ierseke, Holland.....	Purchase.
Canned Tomatoes.....	423	Glasgow, Scotland.....	Agency.
Canned Fruits.....	424	Rotterdam, Holland.....	Agency.
Canned Goods, particularly Canned Fruits.....	425	Rotterdam, Holland.....	Agency.
Canned Goods.....	426	Glasgow, Scotland.....	Agency.
Dried Apples and Other Dried Fruit.....	427	Rotterdam, Holland.....	Agency.
Hard Candies, Mints and Gums.....	428	Bilthoven, Holland.....	Agency.
Cheddar Cheese.....	429	Bilthoven, Holland.....	Agency.
Cheese.....	430	Aberdeen, Scotland.....	Purchase.
Food Products.....	431	Bearsden, Scotland.....	Agency.
Miscellaneous—			
Toilet Soap and Tooth Paste....	432	Rotterdam, Holland.....	Purchase and Agency.
Ladies' Leather Handbags.....	433	Amsterdam, Holland.....	Agency.
Jute Rugs.....	434	Mexico, D.F.....	Agency.
Pelts and Cuttings for Fur Trade	435	The Hague, Holland.....	Agency.
Household Rubber Goods.....	436	New York, U.S.A.....	Agency.
Rubber Hot-water Bottles.....	437	Amsterdam, Holland.....	Purchase.
Rubber Rain Clothing and Other Rubber Articles.....	438	Amsterdam, Holland.....	Agency.
Oilcloth, Leather Cloth and Rub- berized Cloth.....	439	Amsterdam, Holland.....	Agency.
Electrical Automobile Accessories	440	Amsterdam, Holland.....	Agency.
Toys and General Small Goods for Household Use.....	441	Rotterdam, Holland.....	Agency.

TRADE INQUIRIES—*Concluded*

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—Continued			
Wooden and Aluminium Household Articles.	442	Amsterdam, Holland.....	Agency.
Household Tin and Metal Ware.	443	Amsterdam, Holland.....	Agency.
Musical Instruments and Parts.	444	Delft, Holland.....	Purchase.
Paint Brushes.....	445	Lima, Peru.....	Purchase.
Aluminium Paints, Liquid and Powder.	446	Lima, Peru.....	Purchase.
Wire Rods.....	447	Glasgow, Scotland.....	Purchase.
Iron and Steel Scrap.....	448	Glasgow, Scotland.....	Purchase.
Asbestos.....	449	Chicago, U.S.A.....	Purchase.
Chilled Lead Ingot.....	450	Osaka, Japan.....	Purchase.
Steel Billets, Steel Sheet Bars and Steel Slabs.	451	Glasgow, Scotland.....	Purchase.
Workmen's Cotton and Leather Gloves.	452	New York, U.S.A.....	Agency.

PROPOSED SAILINGS FROM CANADIAN PORTS

(The sailing dates are approximate and subject to change without notice)

From Montreal

To Liverpool.—Duchess of York, July 3; Duchess of Richmond, July 10; Duchess of Bedford, July 17; Montclare, July 25—all Canadian Pacific; Andania, July 3; Antonia, July 15—both Cunard-White Star Line.

To London.—Beaverbrae, July 3; Beaverhill, July 10; Beaverford, July 17; Beaverdale, July 24; Beaverburn, July 31—all Canadian Pacific; Ausonia, July 3; Alaunia, July 10; Ascania, July 15; Aurania, July 24—all Cunard-White Star Line.

To Manchester.—Manchester Producer, July 2; Manchester Commerce, July 9; Manchester Division, July 16; Manchester Regiment, July 23; Manchester Citizen, July 30—all Manchester Line.

To Avonmouth, Cardiff and Swansea.—Kastalia, June 30; Dakotian, July 17—both Cunard-Donaldson and Dominion Lines.

To Southampton.—Montclare, Canadian Pacific, July 4.

To Cardiff, Bristol and Swansea.—Boston City, July 9; New York City, July 27—both Bristol City Line.

To Glasgow.—Sulairia, July 3; Letitia, July 10; Airthria, July 17—all Donaldson-Atlantic Line.

To Newcastle and Leith.—Cairnglen, July 9; Cairnross (calls at Dundee), July 23—both Cairn-Thomson Line.

To Aberdeen and Hull.—Kyno, Ellerman's Wilson Line, July 9.

To Dublin and Belfast.—Fanad Head, July 5; Kenbane Head, July 23—both Head Line (cargo accepted for Londonderry and Cork).

To Antwerp and Havre.—Beaverbrae, July 3; Beaverhill, July 10; Montrose, July 16; Montclair, July 16; Beaverdale, July 24; Beaverburn, July 31—all Canadian Pacific (do not call at Havre); Grey County, July 8; Hada County, July 22—both County Line.

To Rotterdam.—Brant County, July 8; Colombia, July 25—both County Line.

To Hamburg.—Kellerwald (calls at Bremen), Hamburg-America Line, July 10; Beaverford, Canadian Pacific, July 17.

To Copenhagen, Gothenburg and Baltic Ports.—Braheholm, July 8; Korsholm, July 29—both Swedish-America-Mexico Line.

To Norwegian Ports.—A steamer, Norwegian-America Line, July.

To Bilbao, Lisbon, Casablanca, Barcelona, Genoa and Leghorn.—Motomar, Gardiaz Line, July 17.

To Seville, Valencia, Barcelona, Marseilles, Genoa, Naples, Messina and Palermo.—Capo Lena, June 30; Capo Olmo, July 28—both Capo Line.

To Marseilles, Genoa, Barcelona and Spanish Ports.—Sonja, Canada-Mediterraneo Line, July.

To St. John's, Nfld., and St. Pierre-Miquelon.—Maisol (does not call at St. Pierre), July 8; Delia (calls at Trinity and Conception Bay ports), July 16—both Shaw SS. Co. Ltd.; Belle Isle, Newfoundland-Canada SS. Co., July 3 and 17.

To Cornerbrook, Nfld.—New Northland, July 6; North Voyageur, July 11—both Clarke SS. Co.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Chomedy, July 9; Cornwallis, July 23—both Canadian National.

To Hamilton (Bermuda), Nassau (Bahamas), Kingston (Jamaica) and Belize (British Honduras).—Cathcart (does not call at Hamilton or Nassau), July 3; Lady Rodney, July 8—both Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Risanger, June 30; a steamer, July 15—both Ocean Dominion SS. Corp.

To Brisbane, Sydney, Melbourne and Adelaide.—Canadian Constructor, July 24; Canadian Cruiser, Aug. 28—both Montreal Australia New Zealand Line.

To Auckland, Wellington, Lyttelton, Dunedin and Bluff.—Canadian Victor, July 24; Canadian Highlander, Aug. 21—both Montreal Australia New Zealand Line.

To Manila, Hongkong, Shanghai, Yokohama and Dairen.—City of Derby, Canada Far East Line, July 6.

To Yokohama, Kobe and Osaka.—Kongo Maru, Kokusai Line, July 16.

To Freetown (Sierra Leone), Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques and Beira.—Calgary, Elder Dempster Lines Ltd., July 20.

To Alexandria, Port Said, Suez, Aden, Karachi, Bombay, Colombo, Singapore, Madras, Rangoon and Calcutta.—City of Birmingham, July 10; City of Evansville, July 23—both Ellerman & Bucknall SS. Co.

To Colombia, Ecuador, Peru and Chile.—A steamer, Canadian National, monthly.

To Santos and Buenos Aires.—A steamer, July 4; Uganda, July 18—both International Freighting Corporation; Tacoma (calls at Montevideo but not at Santos), Canada-South America Line, July 8.

From Quebec

To Southampton.—Empress of Britain, Canadian Pacific, July 11.

From Halifax

To Liverpool.—Newfoundland, June 30; Nova Scotia, July 16—both Furness Line.

To London and Hamburg.—Capulin (calls at Hull, Leith and Dundee), American Hampton Roads, July 4.

To Aberdeen, Newcastle and Hull.—Trentino, July 9; Cavallo, July 28—both Ellerman's Wilson Line.

To Copenhagen and Baltic Ports.—A steamer (calls at Gdynia), Gdynia-America Line, July.

To St. John's, Nfld., and St. Pierre-Miquelon.—Fort Townsend, Furness-Red Cross Line, June 29; Gaston Micard, Newfoundland-Canada SS. Ltd., June 29; Newfoundland (does not call at St. Pierre), Furness Line, June 30; Portia (does not call at St. Pierre), Newfoundland Ry. and SS. Co., July 1.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Nelson, July 2; Lady Hawkins, July 16; Lady Drake, July 30—all Canadian National.

To Bermuda, St. Kitts, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Risanger, July 5; a steamer, July 20—both Ocean Dominion Line.

To Santiago (Cuba) and Kingston (Jamaica).—Ciss, July 1; Kirsten B., July 15—both Pickford & Black Ltd.

To Puerto Rico, Guadeloupe, Martinique, Barbados, Trinidad and Demerara.—Colborne, June 29; Chomedy, July 13; Cornwallis, July 27—all Canadian National.

To Kingston (Jamaica) and Belize (British Honduras).—Cathcart, Canadian National, July 6.

To Yokohama, Kobe, Shanghai, Hongkong, Manila, Cebu and Java.—Silverwalnut, July 4; Malayan Prince, July 18; Silverteak, Aug. 1—all Silver-Prince Line.

To Belawan Deli, Penang, Port Swettenham, Singapore, Batavia, Cheribon, Samarang, Soerabaya and Macassar.—A steamer, Java-New York Line, July.

From Saint John

To Manchester.—Manchester Exporter, July 25; Manchester Brigade, Aug. 22—both Manchester Line.

To Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad and Demerara.—Lady Hawkins, July 8; Lady Drake, July 22—both Canadian National.

To Kingston and Jamaican Outports.—Harboe Jensen, July 3; Crawford Ellis, July 10—both United Fruit Line.

From Vancouver

To Yokohama, Kobe and Osaka.—Heian Maru, July 18; Hikawa Maru, Aug. 11; Hiye Maru, Aug. 29—all Nippon Yusen Kaisha.

To Yokohama, Kobe, Shanghai, Hongkong and Manila.—Empress of Russia (calls Nagasaki), July 11; Empress of Japan (calls Honolulu), July 25; Empress of Asia (calls Nagasaki), Aug. 8; Empress of Canada (calls Honolulu), Aug. 22—all Canadian Pacific; Ixion, July 26; Talthybius, Aug. 23—both Blue Funnel Line (call at Miike but not at Manila).

To Manila, Iloilo, Cebu, Macassar, Soerabaya, Samarang, Batavia, Singapore, Belawan Deli, Colombo and Bombay.—A steamer, Silver-Java Line, July.

To Honolulu, Suva, Auckland and Sydney.—Aorangi, July 15; Niagara, Aug. 12—both Canadian-Australasian Line.

To Auckland, Wellington, Melbourne and Sydney.—Golden Bear (calls at Lyttelton and Dunedin if sufficient cargo offered), Oceanic and Oriental Navigation Co., July 18.

To Auckland, Wellington, Lyttelton, Dunedin, Melbourne and Sydney.—Limerick, Canadian-Australasian Line, July 14.

To Brisbane, Sydney, Melbourne, Adelaide and Newcastle.—A steamer, Empire Shipping Co., July.

To Sydney, Melbourne and Adelaide.—Harborough, June-July; a steamer, July; Hartington, July-August—all Australian Freight Line.

To London, Liverpool and Rotterdam.—Dinteldyk, July 11; Drechtdyk (calls at Glasgow), July 25; Nictheroy, Aug. 8—all Holland-America Line.

To London, Liverpool and Cardiff.—A steamer, Reardon Smith Line, July.

To Kingston, St. Thomas, London, Rotterdam, Gothenburg, Copenhagen and Hull.—A steamer, East Asiatic Co., July.

To Havre, Dunkirk, Bordeaux, Antwerp and Rotterdam.—A steamer, Empire Shipping Co., July.

To Scandinavian Ports.—Buenos Aires, Aug. 6; Canada, Aug. 18—both Johnson Line.

To Marseilles, Genoa, Leghorn, Naples, Venice and Trieste.—A steamer, Empire Shipping Co., July.

To Port of Spain (Trinidad) and Bridgetown (Barbados).—Idlesleigh, Canadian Transport Co., June 29.

To Cape Town, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Calcutta.—A steamer, Silver-Java Pacific Line, July.

To Cape Town, Algoa Bay, East London, Durban, and Lourenco Marques.—A steamer, South African Dispatch Line, August.

To Montevideo, Buenos Aires, Santos, Rio de Janeiro and Bahia.—A steamer, July 22; Hardanger Aug. 21—both Empire Shipping Co.

To Puerto Colombia, Kingston and Tampico.—A steamer, Gulf Pacific Mail Line Ltd., July.

From New Westminster

To London and Liverpool.—Sam Bakke (calls at Glasgow, Belfast and Manchester but not at London), Canada Shipping Co., June 29; Narenta (calls at Glasgow, Southampton and Rotterdam), Royal Mail Lines Ltd., June 29; Pacific Reliance (calls at Glasgow and Manchester, Furness (Pacific) Line Ltd., July 6; Gaelic Star (calls at Glasgow, Rotterdam and Newcastle), American Mail Line Ltd., July 6; Parthenia (calls at Glasgow), Balfour Guthrie & Co., July 8; Memphis City (calls at Avonmouth), B. W. Greer & Son Ltd., July 14.

To United Kingdom Ports.—Tacoma Star, American Mail Line Ltd., July 3.

To Rotterdam, Antwerp and Havre.—Trondanger, Canada Shipping Co., July 4.

Note.—Firms who desire information concerning ocean and mail services may have their names placed on the mailing list of the Post Office Weekly Bulletin by applying to the Post Office Department.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

CANADIAN GOVERNMENT TRADE COMMISSIONERS

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address Canadian.*

Australia

L. M. COSGRAVE. Address for letters—Box 196C, G.P.O., Melbourne. Office—Safe Deposit Building, Melbourne. *Cable address, Canadian.*
Commercial Agent: B. MILLIN, The Royal Exchange, Sydney, N.S.W.

Belgium

HENRI TURCOT, Shell Building, 60 Ravenstein Street, Brussels. *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British Malaya

ACTING TRADE COMMISSIONER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Siam, British Borneo, Northern Sumatra, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: W. F. BULL. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225. Office—Canadian Bank of Commerce Chambers Kingston. (Territory covers Jamaica, Haiti, the Bahamas, and British Honduras.) *Cable address, Canadian.*

China

Shanghai: H. A. SCOTT. Address for letters—P.O. Box 264. Office—Ewo Building, 27 The Bund, Shanghai. *Cable address, Canadian.*

Tientsin: C. S. BISSETT, Hongkong and Shanghai Banking Corporation Building. (Territory covers North China and Manchuria.) *Cable address, Canadian.*

Cuba

E. L. MCCOLL. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 75, Havana. (Territory includes Dominican Republic and Puerto Rico.) *Cable address, Canadian.*

Egypt

YVES LAMONTAGNE. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

France

HERCULE BARRÉ, Commercial Attaché, 3 rue Scribe, Paris (9). (Territory includes French Colonies in North Africa.) *Cable address, Cancomac.*

Germany

PAUL SYKES, Mönckebergstrasse 31, Hamburg. (Territory includes Germany—except the Rhine Valley—Czechoslovakia, Austria, Hungary, Poland, Lithuania, Latvia, Esthonia.) *Cable address, Canadian.*

Hongkong

V. E. DUCLOS. Address for letters—P.O. Box 80, Hongkong. Office—Gloucester Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

India and Ceylon

R. T. YOUNG. Address for letters—P.O. Box 2003, Calcutta. Office—23 Esplanade Mansions, Government Place East, Calcutta. *Cable address, Canadian.*

Irish Free State and Northern Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Irish Free State (*cable address, Canadian*); and 40 Victoria Square, Belfast, Northern Ireland.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Italy

A. B. MUDDIMAN, Via Manzoni Nr. 5, Milan (102). (Territory includes Spain, Portugal, Gibraltar, Malta, Albania, and Yugoslavia.) *Cable address, Canadian.*

Japan

Tokyo: J. A. LANGLEY, Commercial Secretary. Address for letters—P.O. Box 401, Tokyo Central. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Kobe: R. S. O'MEARA, Trade Commissioner. Address for letters—P.O. Box 230, Kobe. Office—309 Crescent Building, 72 Kyomachi, Kobe. *Cable address, Canadian.*

Mexico

M. B. PALMER. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Cancoma.*

Netherlands

J. C. MACGILLIVRAY, Coolsingel 111b, Rotterdam. (Territory includes the Rhine Valley and Switzerland.) *Cable address, Canadian.*

New Zealand

C. M. CROFT. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Norway

RICHARD GREW, Stortingsgaten 28, Oslo. (Territory includes Sweden, Denmark, and Finland.) *Cable address, Canadian.*

Panama

W. J. RIDDIFORD. Address for letters—P.O. Box 222, Panama City. Office—Royal Bank of Canada Building, Santa Ana Plaza, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Portal de Belén No. 166, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: G. R. HEASMAN. Address for letters—P.O. Box 683, Cape Town. Office—Cleghorn & Harris Building, Adderley Street, Cape Town. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. L. MUTTER. Address for letters—P.O. Box 715, Johannesburg. Office—Prudential Assurance Bldg., 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Portuguese East Africa, Mozambique, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. H. ENGLISH, Trade Commissioner, Canada House, Trafalgar Square, S.W.1 (Territory covers Home Counties, Southeastern Counties, and East Anglia.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand W.C.2. *Cable address, Canfrucom.* (Territory—for fresh fruit only—covers United Kingdom, Norway, Denmark, Sweden, France, Holland, Belgium, and Germany.)

London: W. A. WILSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: H. R. POUSSETTE, Martins Bank Bldg., Water Street. (Territory covers North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: FREDERICK PALMER, Northcliffe House, Colston Avenue. (Territory covers West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, 25 Broadway. (Territory includes Bermuda.) *Cable address, Cantracom.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

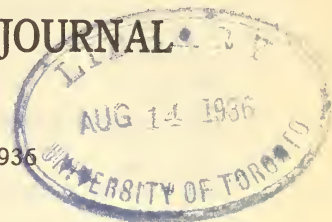
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TO THE
COMMERCIAL INTELLIGENCE JOURNAL

FOR THE
SIX MONTHS ENDING JUNE, 1936

Nos. 1666 to 1691

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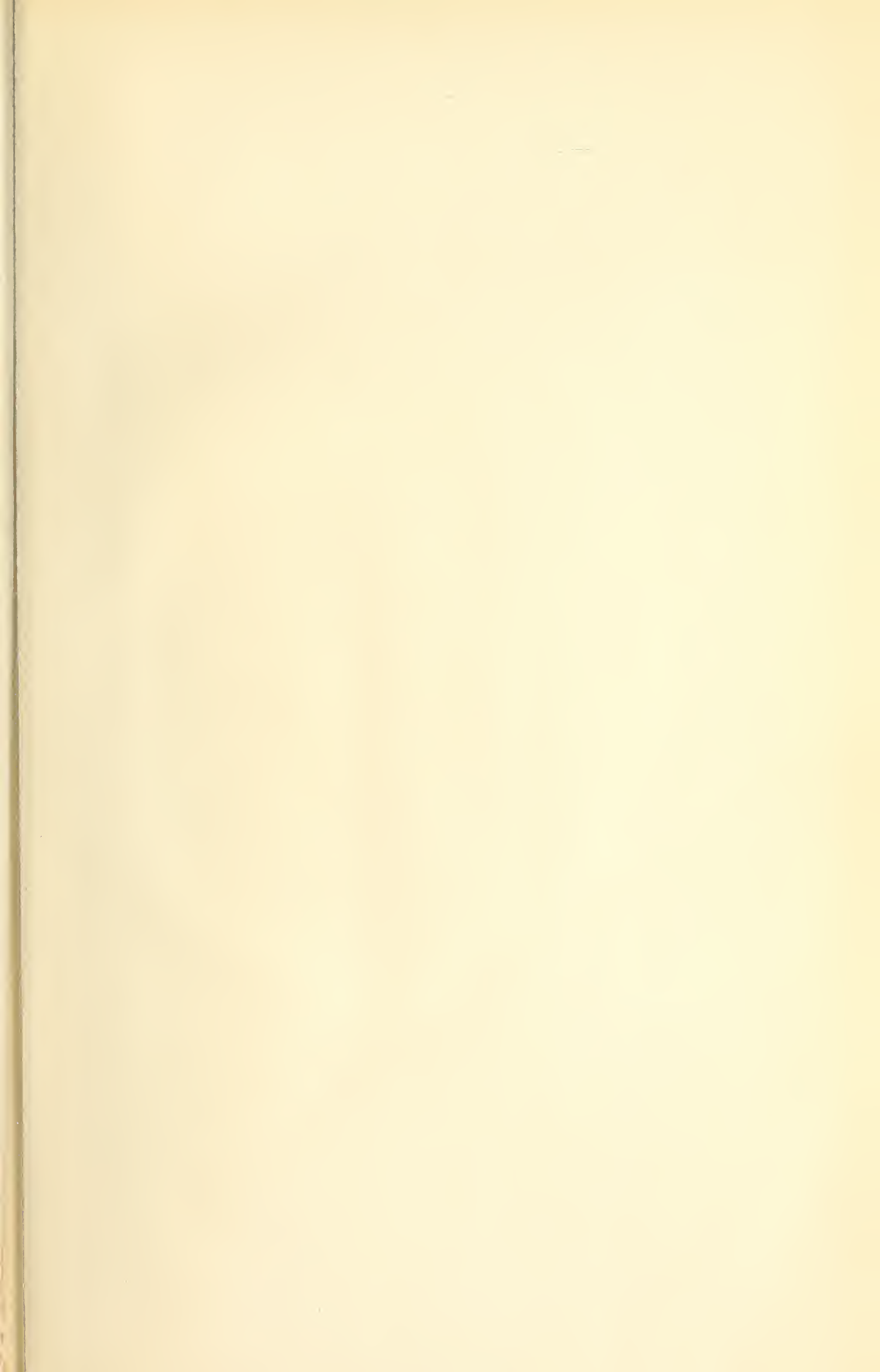
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